

BOARD OF MANAGEMENT



Audit and Risk Committee

Tuesday 23 September 2025 at 5.00pm **Room K-TO-624, Kingsway Campus** (MS Teams option available)

AGENDA

1. **WELCOME**
2. **APOLOGIES**
3. **DECLARATIONS OF CONNECTION & INTEREST**
4. **MINUTE OF THE PREVIOUS MEETING** – 3 June 2025 Paper A for approval
5. **MATTERS ARISING** Paper B for noting
6. **INTERNAL AUDIT**
 - 6.1. Internal Audit Follow-Up Report Paper C for approval HL
 - 6.2. 2024/25 Progress Report Paper D for information HL
 - 6.3. 2025/26 Draft Audit Plan Paper E for approval HL
 - 6.4. Progress Report – Procurement & Creditors Paper F for information NA
 - 6.5. Follow Up Summary Paper G for information NA/ST
7. **ANNUAL DATA PROTECTION COMPLIANCE REPORT** Paper H for information ST
8. **FINANCIAL GOVERNANCE REFLECTION / UPDATE** Paper I for information ST/NA
9. **STRATEGIC RISK REGISTER**
 - (i) Risk Register Update Paper J for approval ST
 - (ii) Strategic Risk Register
10. **EXTERNAL AUDIT** Verbal update MS
 - (i) Audit Assurance Response Paper K for approval ST
11. **DATE OF NEXT MEETING** – Tuesday 2 December 2025 (Joint meeting with Finance & Infrastructure Committee) at **4.00pm** in Room K-TO-226, Kingsway Campus.

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 16 September 2025



MINUTE OF THE PREVIOUS MEETING

PAPER A

BOARD OF MANAGEMENT

Audit and Risk Committee



Tuesday 3 June 2025 at 5.00pm **Room K-TO-624,**
Kingsway Campus (MS Teams option available)

Minute of the Audit & Risk Committee meeting held on Tuesday 3 June 2025 at 5.00pm in Room K-TO-624 Kingsway Campus and via Microsoft Teams.

PRESENT: Helen Honeyman (Chair) Derek Smith
Matthew Beattie Richard Gordon
Ged Bell

IN ATTENDANCE: Steve McNaught (Henderson Loggie)
Nicky Anderson (Director of Finance)
Steven Taylor (Vice Principal Support and Organisation)
Michael Speight & Konzekerani Chigwenembe (Forvis Mazars)
Penny Muir (Board Administrator)

1. WELCOME

H Honeyman welcomed everyone to the Audit & Risk Committee meeting.

2. APOLOGIES

Apologies were noted from K McIntosh and J Buchanan. S McNaught noted he was standing in for D Archibald.

3. DECLARATIONS OF CONNECTION & INTEREST

No declarations of connection and interest were noted.

4. MINUTE OF THE PREVIOUS MEETING

The minute of the Audit & Risk Committee meeting held on 4 March 2025 was approved as an accurate record.

5. MATTERS ARISING

All matters arising have been completed or are addressed in the current agenda.

6. AUDIT

6.1. 2023-2024 Audit Lessons & Improvement Plan

S Taylor presented an update following discussions at the last meeting, where there had been a delay in the audit sign-off. It was agreed at that time to hold a follow-up session with M Speight and K Chigwenembe to review the audit process and explore areas for improvement in the audit approaches. This session had proven useful and had led to the production of the plan.

S Taylor reported that there has been progress, with significant work taking place behind the scenes to meet audit requirements. He expressed confidence that the College will meet the necessary obligations, with work continuing to progress in subsequent years as required to further refine and enhance arrangements.

M Speight added that from Mazars' perspective, the session with David from Henderson Loggie had been productive. He noted that the foundational elements of the audit process are now falling into place. Although this has not been a typical nine-month audit cycle due to earlier delays, a substantial amount of work is required in a condensed timeframe. He acknowledged that while the outcome in the Autumn may not be fully polished, it will set a clear foundation for future audits.

G Bell queried whether the plan presented was a joint plan between the College and Mazars, or solely a College initiative. S Taylor confirmed that it was a College-led plan designed to support collaborative working and effective information exchange, but that there were elements for Mazars to undertake too.

G Bell asked whether a corresponding plan from Mazars would be forthcoming. M Speight responded that Mazars did not intend to issue a separate plan, as they had contributed directly to the development of the College's plan. He identified capital accounting as a significant challenge last year and acknowledged that lessons have been learned.

M Speight highlighted further additional complications, such as job evaluation work and the transition of responsibilities within the finance team that had also impacted the timing of the audit. He noted that the audit team would be strengthened for 2024/25, with the return of Ruth from maternity leave and K Chigwenembe remaining in post.

S Taylor added that the joint elements referenced in the paper are practical, focusing on the audit timetable, the timely sharing of documentation, and maintaining consistent arrangements rather than implementing significant changes.

H Honeyman highlighted the importance of communication with the Audit and Risk Committee should there be any risk of delays in 2025. She noted that while the process may not be perfect, regular updates are essential to provide assurance that progress is being made. She asked that a further progress update be presented at the next committee meeting. This was agreed,
N Anderson to progress.

6.2. 2024/25 Audit Plan

M Speight provided an overview of the 2024/25 annual audit plan. He reported that planning discussions were held with the Finance team the previous week. The primary objective is to achieve as much consistency as possible throughout the audit process, which is expected to be beneficial.

Regarding areas of Audit and Risk, M Speight reminded the Committee that, consistent with required audit standards the previous years, general ledger entries and revenue recognition would be featured as standard audit items.

The Tayside Pension Fund valuation was highlighted as another area of focus and an internal specialist will review these complex areas, noting that the College has a relatively small percentage of the overall pension fund allocated to it.

M Speight highlighted that the valuation estimates recorded in the financial statements, particularly those pertaining to land and buildings, will be subject to detailed scrutiny. H Honeyman asked whether the College was ahead in terms of the valuation work undertaken for the 2023/4 audit and N Anderson confirmed that a full revaluation was planned for this year.

M Speight clarified that the valuation will be a full valuation, and this detail will be amended in the final audit plan to ensure accuracy.

M Speight reported that the job evaluation scheme continues to present a sector-wide challenge and will feature again in the audit. He noted that the Scottish Funding Council had advised that the publication of the 2024/25 audit guidance will be in July 2025, with the expectation that this would be consistent with the 2023/24 guidance.

As the Job Evaluation project was being progressed, the current basis for the calculation may become outdated over time, potentially impacting financial reporting over a period ranging from six months to several years. Although this is not regarded as a significant risk at present, it remains important to keep the matter under review, with the possibility that an alternative approach of calculation may be required as the project nears implementation. This issue is relevant across the entire sector and does not specifically affect Dundee & Angus College.

M Speight noted that financial sustainability is flagged as a sector-wide risk, though there are no specific concerns for Dundee & Angus College. Other institutions may be in more challenging positions.

H Honeyman enquired about an increase in audit fees, to which M Speight explained that Audit Scotland set the fees, which have risen in line with salary inflation figures.

H Honeyman thanked Mazars for their input and update.

7. INTERNAL AUDIT

7.1. Payroll

S McNaught presented the findings of the recent internal audit of payroll. The audit focused on internal controls around staff costs, which represent a significant portion of the overall budget. The review covered both the People Team and the Payroll Team.

The audit outcome was positive, with a good level of assurance provided and no recommendations identified. Although a small number of administrative-type errors were noted, no significant issues were identified. The audit found that there was a strong segregation of duties, effective checking processes were in place, no errors were identified in deduction calculations, and salaries were aligned with contractual agreements.

S McNaught noted that while this was a strong result for the College, some other college clients had encountered difficulties with payroll, particularly in relation to academic staff. These situations can unravel quickly if not properly managed.

H Honeyman welcomed the positive audit report and commended the Payroll and the People Team for their efforts, she asked about data security in relation to payroll. In response, S McNaught explained that the move to the iTrent system and the implementation of self-service functionality had improved data security significantly. As part of the transition, substantial data cleansing was undertaken, and data protection was a focus throughout.

S Taylor reported that the HR Committee had discussed the progress made through the Rapid Improvement Event, which aimed to streamline staff contracts and positions. It was noted that staff could hold multiple positions, and the plans focused on how the administrative processes for this could be better managed.

G Bell congratulated the Payroll and People Teams, recognising the complexity of payroll within support services. He noted that simplifying payment structures would contribute to more accurate payroll outcomes.

H Honeyman asked whether evidence had been requested to support the AVC compliance. N Anderson noted that this was not a priority as AVC information was held by the staff, but going forward such records would be retained.

H Honeyman thanked S McNaught for the report.

7.2. Internal Audit Progress Report

S McNaught provided a summary of the current position within the annual audit plan. He stated two audits had been completed, with three still to be presented. Areas such as credits, bursaries, and the Education Maintenance Allowance (EMA) are scheduled to be reported later in September 2025.

The budget control audit had been delayed to 2025/26 to create space for the input on capital accounting.

The digital strategy audit had been planned to commence around the current time; however, work is progressing to refresh the digital strategy. As a result, the timing of the audit will be delayed to ensure there is a sufficiently developed strategy in place to review.

H Honeyman asked whether this audit could be expected at the September 2025 meeting. S McNaught confirmed this was the revised expectation.

G Bell noted that the implementation of the digital strategy must provide measurable elements to enable a meaningful audit.

S McNaught responded that, across the sector, there have been changes in guidance, and the College is currently updating its framework to support the implementation of its digital strategy. He advised that it is appropriate to wait until the College has finalised amendments to its own strategy before proceeding with the audit.

The progress was noted and the report welcomed.

7.3. Procurement & Creditors Audit Progress

N Anderson provided an update on the Procurement and Creditors Audit undertaken in June 2024. The audit resulted in six recommendations, with progress regularly reported to both the Audit & Risk Committee and the Finance & Property Committee.

Of the six recommendations, five have been fully implemented. The remaining recommendation had a completion deadline set for the end of August 2025.

N Anderson also reported on the recommendation concerning compliance with the requirement to raise purchase orders. In the 2023/24 financial year, overall purchase order compliance stood at 23%. This figure has increased to 37% in the current year. While progress has been gradual, she emphasised that sustained focus and targeted efforts have led to significant improvement and would continue.

H Honeyman asked whether Purchase Order (PO) compliance levels were expected to increase further.

N Anderson responded that PO compliance should reach the high 90s in percentage terms. Significant efforts are underway, particularly with the Estates team, which is the largest area of spend. Transaction teams have been meeting with team managers to review and reinforce PO compliance in detail.

R Gordon commented that this change is being felt throughout the organisation and acknowledged that the implementation involves more than just financial control as it also touches on broader software and service-related issues.

H Honeyman asked how long the organisation is giving itself to progress on this journey.

N Anderson explained that initial meetings with budget holders have already taken place and will be followed by a series of meetings focusing specifically on Purchase Orders. Compliance will also be monitored during the monthly budget review meetings, offering multiple touchpoints to reinforce expectations and processes.

S McNaught noted the increased risk of fraud where POs were not standard. N Anderson noted that this had been considered in the audit and that further work was being progressed by the new Procurement Manager.

The Committee welcomed the update and acknowledged the positive direction of travel.

7.4. Follow Up Summary

S Taylor provided an update on the progress of audit recommendations. It was noted that recommendations from the previous audit had been reviewed and that it was positive to see progress, with most areas now marked as complete.

S Taylor also referenced proposals relating to the commercial offer within the Sports Centre and noted that it was proposed that these be deleted should the current proposals around the sports Centre operation be progressed.

G Bell asked about the timing of this and steps should the commercial operation be continued and it was confirmed that in these circumstances the audit recommendations would continue to be progressed. The Committee agreed to approve the removal of audit recommendations associated with the Gardyne Sports Centre, if and when the related commercial proposals are no longer being pursued.

8. FINANCIAL GOVERNANCE REFLECTION/UPDATE

S Taylor presented the paper to the Committee.

He advised that, in light of the similarities in core business operations and funding models between Dundee & Angus College and the University of Dundee, the College's Senior Leadership Team had undertaken a reflective self-evaluation. This was intended to review internal practices and consider any relevant issues arising from the recent parliamentary scrutiny of the University of Dundee's finances and governance arrangements from a D&A perspective.

S Taylor highlighted the importance of maintaining a proactive approach as these matters gain wider visibility and noted the possibility of a formal request or similar ask that all colleges and universities undertake a review relative to the outcome of the current inquiry into the Dundee University position.

He explained that the paper was informed by an initial parliamentary review and whilst acknowledging the financial challenges within the College, he reported that no significant gaps had been identified in Dundee & Angus College's current approaches. He confirmed that the paper would be further developed as additional information becomes available.

H Honeyman praised the Senior Leadership Team (SLT) for their tight financial control and proactive approach, describing it as a positive development.

S Taylor described the situation as a work in progress and outlined the next steps, which include reporting back to the Finance and Property Committee (FPC) and the Audit & Risk Committee (A&R) on identified risk areas, progress made, and action plans. He noted that this would include both management and governance practices.

N Anderson highlighted that the exercise provides a valuable opportunity for the SLT to discuss any concerns or issues openly. S Taylor added that through this process, it became evident that some members of the SLT would benefit from more specialised financial training. He also raised the importance of ensuring a clear understanding of how the curriculum and credits operate and how finances are derived from them, emphasising the need for comprehensive organisational and financial knowledge across the team.

H Honeyman welcomed the comments regarding the review of risk management arrangements to ensure that interlinkages between areas of risk were clear and robust.

S McNaught noted that student enrolment figures, despite their critical importance, had not been previously classified as a high-priority risk at Dundee University. He referenced recent reviews of Dundee University's situation to emphasise the necessity of closely monitoring of student numbers, given their substantial impact on institutional performance and planning.

G Bell noted that challenges faced by Dundee University further demonstrated the necessity of such oversight. He affirmed that the College horizon scanning practices have been effective in identifying emerging risks and commended the transparency of this approach, highlighting its value in adapting to external environmental factors.

H Honeyman concluded by commending the work as thorough and valuable.

9. STRATEGIC RISK REGISTER

S Taylor provided an update, noting the ongoing sector financial governance review previously discussed. The report identified a proposed additional risk, which had also been considered by the Finance and Property Committee (FPC). The FPC was comfortable with broadening the review to encompass financial strategy, planning, and audit functions. The Committee approved inclusion of this additional risk. **S Taylor to progress.**

Financial sustainability was highlighted as a significant red risk. The HR Committee and Finance & Property Committee had been informed of planned savings and efficiency measures, with detailed discussions around staffing matters, including consultation with trade unions. A comprehensive update will be provided to the next board meeting.

There has been no material change in the risk around Regarding Reinforced Autoclaved Aerated Concrete (RAAC). A further structural engineering assessment is scheduled, with no expected significant change in condition.

H Honeyman asked about the potential financial risk posed by the RAAC remediation timeline of three to five years in contrast to the timeline for the new campus development. S Taylor stated that this remained a concern but that it was hoped that there has been no deterioration in RAAC condition and if so that the three to five-year rolling review will continue.

Should remediation be necessary, a provisional plan exists, including options such as renting alternative premises or borrowing other public sector space. This would, however, incur additional costs and financial support from the Funding Council would be sought.

The Committee approved the strategic risk register.

10. INTERNAL AUDIT PROCUREMENT

Item was taken without auditors present

N Anderson reported that at the September committee meeting, the responsibility for selecting the internal audit provider was delegated to H Honeyman and N Anderson. This process has now been completed, with two supplier bids received and assessed. Following evaluation, it was recommended that Henderson Loggie will be appointed as the internal auditor for Dundee & Angus College for a three-year term commencing October 2025, with an option for extension of up to 2 further years.

H Honeyman noted the importance of gaining a deeper understanding of the industry in which the College operates, describing this as a positive development.

N Anderson confirmed that the successful supplier scored highest in both price and quality criteria.

G Bell highlighted Henderson Loggie's existing knowledge of the College as an advantage.

H Honeyman emphasised the importance of obtaining the best service and value for the Board's needs, noting that Henderson Loggie's proposal was competitive on both price and service aspects.

The Committee formally approved the appointment of Henderson Loggie as internal auditors for Dundee & Angus College as proposed. **N Anderson to progress.**

11. DATE OF NEXT MEETING

Tuesday 16 September 2025 at 5.00pm in Room K-TO-624, Kingsway Campus

<u>Action Point Summary</u>		
Action	Responsibility	Date
Update on audit progress to be provided to the next meeting	N Anderson	16 September 2025
Risk Register to be updated	S Taylor	13 June 2025
Internal Audit contract to be implemented	N Anderson	16 September 2025

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 16 September 2025



MATTERS ARISING

PAPER B

BOARD OF MANAGEMENT
Audit & Risk Committee
Tuesday 16 September 2025



Matters Arising

Paper for information

The following actions were noted from the Tuesday 3 June 2025 Audit & Risk Committee meeting.

Agenda Item No	Action	Current status	Open / Closed
6.1	Update on audit progress to be provided to the next meeting. N Anderson	Scheduled for 16 September 2025	Closed – on agenda
9.0	Risk Register to be updated. S Taylor	Scheduled for 13 June 2025	Closed
10.0	Internal Audit contract to be implemented. N Anderson	Scheduled for 16 September 2025	Closed

Author & Executive Sponsor: Steven Taylor, Vice Principal Support Services and Operations

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 16 September 2025



INTERNAL AUDIT

6.1 – INTERNAL AUDIT FOLLOW-UP REPORT

PAPER C

Dundee & Angus College

Follow Up Reviews

Internal Audit report No: 2025/04

Draft issued: 2 September 2025

Final issued: 4 September 2025



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Management Summary

Introduction and Background

As part of the Internal Audit programme at Dundee & Angus College ('the College') for 2024/25, we carried out a follow-up review of the recommendations made in Internal Audit reports issued during 2023/24, and reports from earlier years where previous follow-up identified that there were recommendations outstanding. These were:

- Internal Audit Report 2024/02 – Risk Management and Business Continuity / Disaster Recovery Planning;
- Internal Audit Report 2024/03 – Procurement and Creditors / Purchasing – Sustainable Procurement;
- Internal Audit Report 2024/05 – Follow Up Reviews 2023/24; and
- Internal Audit Report 2024/08 – Sports Centre Business Process Review (BPR).

Reports 2024/01 – Annual Plan 2023/24, 2024/04 – Environmental Sustainability and 2024/09 – Annual Report 2023/24 did not contain an action plan and therefore no follow-up activity was required for these specific reports as part of this review.

Follow-up for reports 2024/06 - 2023/24 Student Activity Data, and 2024/07 - 2023/24 Student Support Funds will be followed up separately as part of the Student Activity Data and Student Support Funds audit reviews undertaken as part of the 2024/25 internal audit plan.

Objectives of the Audit

The objective of each of our follow-up reviews is to assess whether recommendations made in previous reports have been appropriately implemented and to ensure that, where little or no progress has been made towards implementation, that plans are in place to progress them.

Audit Approach

For the recommendations made in each of the reports listed above we ascertained by enquiry or sample testing, as appropriate, whether they had been completed or what stage they had reached in terms of completion and whether the due date needed to be revised.

Action plans from the original reports, updated to include a column for progress made to date, are appended to this report.

Overall Conclusion

The College has made good progress in implementing the recommendations followed-up as part of this review, with 12 (60%) of the 20 recommendations followed-up being assessed as 'Fully Implemented'.



Overall Conclusion (continued)

It should be noted that the remaining eight recommendations (40%) have been 'Considered but Not Implemented' and will not be subject to further follow up action. The first of these related to R2 of report 2024/03 – Procurement and Creditors / Purchasing – Sustainable Procurement. The recommendation was to conduct a cost/benefit analysis to assess the impact of changing the approach for ordering of catering supplies and repairs in order to create additional opportunities for smaller, local suppliers to bid for the provision of goods and services related to catering. It was determined that a national TUCO framework agreement is in place and can be accessed via APUC and it currently being utilised. As such, the recommendation will not be progressed.

The remaining seven recommendations related to report 2024/08 – Sports Centre BPR. Following a period of consultation with staff and stakeholders, the College has taken the decision to discontinue the commercial operation of the sports centre, effective from 31 July 2025. This decision covers the operation of the swimming pool and public access to the sports centre fitness facility, therefore all recommendations within the report are no longer active.

Our findings from each of the follow-up reviews has been summarised below:

From Original Reports			From Follow-Up Work Performed				
Area	Rec. Priority	Number Agreed	Fully Implemented	Partially Implemented	Little or No Progress Made	Not Past Agreed Completion Date	Considered But Not Implemented
2024/02 – Risk Management and Business Continuity / Disaster Recovery Planning	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	4	4	-	-	-	-
Total		4	4	-	-	-	-
2024/03 – Procurement and Creditors / Purchasing – Sustainable Procurement	1	-	-	-	-	-	-
	2	4	4	-	-	-	-
	3	2	1	-	-	-	1
Total		6	5	-	-	-	1
2024/05 – Follow-Up Reviews 2023/24	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	3	3	-	-	-	-
Total		3	3	-	-	-	-
2024/08 – Sports Centre BPR	High	2	-	-	-	-	2
	Medium	4	-	-	-	-	4
	Low	1	-	-	-	-	1
Total		7	-	-	-	-	7
Grand Totals		20	12	-	-	-	8



Overall Conclusion (continued)

The grades, as detailed below, denote the level of importance that should have been given to each recommendation within the internal audit reports:

Gradings for recommendations from Henderson Loggie internal audit reports:

Priority 1	Issue subjecting the organisation to material risk and which requires to be brought to the attention of management and the Audit and Risk Committee.
Priority 2	Issue subjecting the organisation to significant risk and which should be addressed by management.
Priority 3	Matters subjecting the organisation to minor risk or which, if addressed, will enhance efficiency and effectiveness.

For report 2024/08 – Sports Centre BPR, improvement points identified from facilitated sessions or interviews were categorised as High, Medium or Low.

Acknowledgements

We would like to thank all staff at Dundee & Angus College for the co-operation and assistance we received during the course of our reviews.



Appendix I - Updated Action Plan

Internal Audit Report 2024/02 – Risk Management and Business Continuity / Disaster Recovery Planning

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at July 2025
R1 The following amendments to the SRR should be considered: <ul style="list-style-type: none"> adding monitoring of activity targets to the list of monitoring reports on the SRR for risk 2.2 'Failure to achieve institutional sustainability'; and adding a further strategic risk in relation to attracting, engaging, retaining and developing appropriately qualified staff. 	3	Agreed.	Vice Principal Support Services and Operations	31 March 2024	<p>These were updated in the September 2024 Strategic Risk Register.</p> <p>Fully Implemented</p>
R2 The College should develop a framework to provide further guidance on how to assess the impact and likelihood of identified risks, ensuring a consistent approach for risk assessment.	3	Agreed.	Vice Principal Support Services and Operations	30 September 2024	<p>This was developed and approved as an update to the Risk Management Policy approved at the Audit and Risk Committee meeting on 17 September 2024.</p> <p>Fully Implemented</p>



Follow Up Reviews 2024/25

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at July 2025
R3 The Board should consider and establish what the College's high-level risk appetite is for each defined risk category, and residual risks on the SRR should be formally considered for compatibility with this stated risk appetite. The UK Government Orange Book guidance note on risk appetite can be used for reference, particularly in relation to documenting the risk appetite.	3	Agreed.	Board of Management	30 September 2024	This was completed as part of a Risk Appetite session led for the Board by Henderson Loggie Partner David Archibald on 22 October 2024. Subsequently this was developed and approved at the Audit and Risk Committee meeting on 4 March 2025. Fully Implemented
R4 A plan should be implemented to ensure that periodic risk management training is provided for Board members, senior managers and other relevant College managers and staff.	3	Agreed.	Board of Management Training: Board Chair / Board Governance Professional ELT, SLT and Manager training: Vice Principal Support Services and Operations	30 September 2024 31 December 2024	Board training was undertaken on 22 October 2024 and repeat training is highlighted as part of the Board Development Plan on a three-year rolling basis. A Development Plan was approved by the Board in June 2025. Fully Implemented



Appendix II - Updated Action Plan

Internal Audit Report 2024/03 – Procurement and Creditors / Purchasing – Sustainable Procurement

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at July 2025
R1 Although the College's Procurement Policy and Procurement Authorisation Process documents are comprehensive, clear, and are in line with extant Act and Regulations, they should be updated in line with the agreed review frequency to ensure that they accurately reflect any changes in relevant legislation, emerging procurement best practice, staff responsibilities, and the College's procurement values, aims, and approach.	3	This recommendation is accepted. We will fully update the Procurement Policy and Procurement Authorisation Process as recommended.	Head of Procurement	31 August 2024	<p>The Procurement Policy and Procurement Authorisation Process were approved by the Finance and Property Committee on 3 December 2024 and have been issued to staff via the staff portal.</p> <p><i>Fully Implemented</i></p>



Follow Up Reviews 2024/25

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at July 2025
<p>R2 The College should conduct a cost/benefit analysis to assess the impact of changing the approach for ordering of catering supplies and repairs in order to create additional opportunities for smaller, local suppliers to bid for the provision of goods and services related to catering. This could involve establishing the College's own purchasing framework (similar to the Minor Works and Building Maintenance framework currently being worked on) or comparing quotes from local suppliers for select categories of catering spend.</p>	3	<p>This recommendation is accepted. We will carry out a cost/benefit analysis around changing the approach for ordering catering supplies and repairs with a view to creating opportunities for smaller, local suppliers.</p> <p>Once the Cost/benefit analysis is complete we will consider whether a purchasing framework or alternative process is required.</p>	Head of Procurement	<p>Cost/benefit Analysis: 30 November 2024</p> <p>Next steps: 31 January 2025</p>	<p>There is a national TUCO framework agreement that the College has access to via APUC, so procurement advice is that the College should be using that framework, as opposed to developing its own.</p> <p>Further, the College cannot exclude non-local suppliers from bidding, and no justification has been found for requiring it. The College has used the existing framework to cover its short-term requirements and will be looking at the longer-term procurement from this framework in the next 6 to 12 months.</p> <p><i>Considered but Not Implemented</i></p>



Follow Up Reviews 2024/25

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at July 2025
<p>R3 The College should improve enforcement of compliance in regard to raising POs for relevant transactions.</p> <p>The College should clearly communicate to staff that it is against the College's policy to arrange for the supply of goods or services without an appropriately approved PO and explain to staff how the process helps maintain value for money and minimise supplier risk.</p> <p>Consideration should be given to establishing a more robust "No PO, No Pay" policy, with exclusions explicitly defined and adequately explained to staff members.</p>	2	<p>These recommendations are accepted.</p> <p>We will communicate the policy for raising Purchase Orders and explain the rationale for this.</p> <p>We will consult our Senior Leadership Team on the introduction of a more robust No PO, No Pay Policy or appropriate equivalent.</p>	Director of Finance	30 September 2024	<p>The College has reiterated to staff that it is against the College's policy to arrange for supply of goods or services without an appropriately authorised Purchase Order (PO). It has explained how this maintains value for money and minimises risk.</p> <p>The College's existing Purchase Order Requisition Procedure (PP1) requires POs to be raised for purchases, with some exceptions noted including emergency purchases and utilities expenditure. The Purchase Order Requisition Procedure (PP1) ensures the College complies with its financial governance requirements and in particular, Financial Regulations and Procurement Regulations.</p> <p>Since the College received this audit recommendation, it has focussed efforts on increasing PO usage and visible control in its highest spend areas such as Estates and Digital. Finance is working closely with Estates to consolidate invoices on a weekly / monthly basis for suppliers with high volume / low value expenditure.</p> <p>(continued on next page)</p>



Follow Up Reviews 2024/25

Original Recommendation		Priority	Management Response	To Be Actioned By	No Later Than	Progress at July 2025
R3	(Continued)					<p>The College is raising POs with these suppliers for expected spend for the week / month ahead, eliminating a significant amount of processing time, but increasing the overall value of PO compliance. Estates compliance has increased from 8% in 2023/24 to 46% in 2024/25.</p> <p>Since February Finance has held several meetings with budget holders across the organisation to reiterate the need for raising POs and identify ways Finance can support compliance. These meetings are on-going and prioritised to those budget holders with the lowest compliance.</p> <p>Overall PO compliance was 23% in 2023/34 when comparing number of POs to numbers of invoices. This has increased to 39% in 2024/25. PO compliance compared to the value of invoices is currently 42% and this was 26% in 2023/24.</p> <p>The SLT considered implementing a 'No PO No Pay' policy and decided that it was not possible with such low PO compliance and that instead, it would review again next year and work towards improving compliance in the meantime.</p> <p>Fully Implemented</p>



Follow Up Reviews 2024/25

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at July 2025
<p>R4 The College should conduct a review of existing procurement arrangements, to ensure that external procurement support is structured in a way which will effectively contribute to the delivery of value for money and minimisation of risk at the College. This should involve a specific focus on the future role and responsibility of the TRPT given the existing resource constraints.</p> <p>The College should communicate to all staff the purpose, importance, and added value of appropriately conducted procurement activity. Staff members should be reminded of the Procurement Policy and procedures in place, and of TRPT's strategic and operational role in managing and assisting with procurement activity. The need for compliance with the established procurement arrangements should be emphasised, and any repeated non-adherence by individuals or departments should be monitored and corrective action taken. A rationale should be given by the purchasing department in any instance where procurement activity has not been conducted in line with the College's guidance.</p>	2	<p>These recommendations are accepted.</p> <p>A review of the existing procurement arrangements is already in hand and discussions are underway to identify the future role, responsibility and future service provided by the TRPT to the College.</p> <p>We will communicate the importance of procurement to the wider College along with explaining the role and purpose of procurement and highlighting procurement policies and procedures.</p> <p>We will revise our process to ensure we capture a rationale from all departments regarding any instances of non-compliance with our procurement requirements.</p>	Director of Finance	30 September 2024	<p>Alongside the introduction of revised operational arrangements, the College has reinforced with staff the purpose, importance and added value of procurement activity and the need to follow financial governance requirements. The College is actively monitoring compliance, and corrective action will be taken where required. The College requires a written rationale where departments have not complied fully with procurement guidance.</p> <p>Fully Implemented</p>



Follow Up Reviews 2024/25

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at July 2025
R5 The College should consider re-establishing induction and refresher training for non-procurement staff involved in purchasing and procurement activity. This would help staff to understand the legislative background and enhance their knowledge of business processes and internal governance, as well as familiarising them with TRPT and ensuring that they are aware of the team's strategic and operational role in relation to procurement activity	2	<p>This recommendation is accepted.</p> <p>We will re-establish induction and regular refresher training for non-procurement staff involved with purchasing and procurement activity. This will be timetabled into Procurement annual activity plans.</p>	Head of Procurement	30 September 2024	<p>APUC developed induction and refresher training, and this was delivered on 13 March 2025. A video of the training is available to all budget holders on the Dundee and Angus Portal.</p> <p><i>Fully Implemented</i></p>



Follow Up Reviews 2024/25

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at July 2025
<p>R6 The College should examine the following elements of the process to amend standing supplier data:</p> <ul style="list-style-type: none"> It should be ensured that the process utilised in practice is in line with the documented Bank Account Changes Procedures. It should be ensured that evidence of processing the changes is appropriately retained in a shared location available to the Finance Team. This should capture all requests received, details of the changes made, how they were verified as bona fide, and evidence of any subsequent independent checks and approvals conducted. The establishment of a central record, available to the Finance Team, containing all amendments made to supplier standing data, such as a spreadsheet, should be considered. The introduction of built-in system controls in the Sun / P2P systems should be considered, which would require authorisation by an appropriately senior member of the Finance Team prior to any changes to supplier bank details going live and the account being enabled for payment. This would ensure that review and approval is not retrospective, and segregation of duties cannot be circumvented. 	2	<p>These recommendations are accepted.</p> <p>We will review the documented bank account changes procedure to ensure it is robust and contained adequate internal controls.</p> <p>We will then review the process for changes to supplier standing data to ensure we follow the revised documented bank account changes procedure.</p> <p>We will retain all evidence of any changes to supplier standing data.</p> <p>We will explore the possibility of introducing approval system controls in SUN/P2P for supplier amendments.</p>	Director of Finance	30 June 2024	<p>The documented Supplier Bank Account Changes procedure has been revised and reissued to Finance staff.</p> <p>Evidence of supplier bank account changes are processed, verification and approval is retained in a central location accessible to the Finance team.</p> <p>The College has consulted its supplier, and it is not possible to build authorisation system controls into the P2P system to ensure segregation of duties controls cannot be circumvented. The College is content that the existing internal controls provide adequate assurance.</p> <p>Fully Implemented</p>



Appendix III - Updated Action Plan

Internal Audit Report 2024/05 – Follow Up Reviews 2023/24

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at June 2025
2023/09 – Infrastructure Strategy / Capital Projects						
R1 Reinstate the formal project appraisal procedures detailing the circumstances and threshold for the requirement to provide a strategic business case, and the level of appraisal required for projects below this threshold.	3	College to create a formal procedure for project appraisal and creation and consideration of post-project evaluations for all infrastructure projects above a defined financial threshold.	Director of Infrastructure	30 June 2024	<p>August 2024: Draft procedure created. Awaiting final sign off by Executive.</p> <p><i>Partially Implemented</i></p> <p>Revised Date of Completion: 30 September 2024</p>	<p>As at August 2024, the Infrastructure Capital Projects Procedure is complete.</p> <p>A project business case should be presented to the relevant group approving small, medium or large projects, outlining the cost-benefit analysis of delivering the project and detailed cost estimations. A business case template is included in the procedure.</p> <p><i>Fully Implemented</i></p>

Follow Up Reviews 2024/25

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at June 2025
2023/09 – Infrastructure Strategy / Capital Projects						
R2 For projects above an appropriate cost threshold ensure that recognised risk management processes such as project risk registers are utilised.	3	College to implement a documented risk register process and mechanism for all infrastructure projects above a defined financial threshold.	Director of Infrastructure	30 June 2024	<p>August 2024: Risk Register included in draft infrastructure capital projects procedure and is awaiting final sign off by Executive.</p> <p>Partially Implemented</p> <p>Revised Date of Completion: 30 September 2024</p>	<p>A formal risk register should be kept for all medium and large projects. A risk register template is included in the infrastructure capital projects procedure.</p> <p>Fully Implemented</p>
R3 It is recommended that a procedure be implemented which requires that all selection documentation for projects above a defined financial threshold which are not processed in conjunction with the Procurement Team (or compliant equivalent such as the SCAPE framework) be documented in a common format to support high level review to ensure that procedures are followed in line with the relevant regulations.	3	College to review and update Procurement Policy thresholds and requirements to ensure that appropriate arrangements and documented processes are in place for all infrastructure projects above a defined financial threshold.	Director of Infrastructure	30 June 2024	<p>August 2024: Links into the wider review of procurement thresholds.</p> <p>Partially Implemented</p> <p>Revised Date of Completion: 31 January 2025</p>	<p>This is included as part of the Infrastructure Capital Projects Procedure.</p> <p>Fully Implemented</p>



Appendix IV - Updated Action Plan

Internal Audit Report 2024/08 – Sports Centre Business Process Review

High Priority Items

No	Short Description	Detail	Management Comments	Update at August 2025
1.	Access to the Sports Centre facilities	<p>It was identified that the current configuration of the sports centre building at Gardyne means that there are multiple entry points into the changing rooms and the facilities. While there is a QR entry code system in place this is not consistently used and the reception area is not staffed continually. We were advised that Sports Centre staff would not routinely challenge visitors in the gym to ensure that they had signed in.</p> <p>Risk: There is an enhanced risk that visitors may not have signed the relevant agreement and may not have undertaken the required induction for the use of gym equipment, for example.</p> <p>Recommendation: The entry routes into the sports centre and the potential for the issue of membership cards with a photograph should be reviewed, in order to restrict unauthorised access and to ensure that only those customers who have paid the appropriate fee and have completed the relevant induction, have access to the sports centre facilities, such as the gym. Training should be provided to ensure that sports centre staff are aware of their responsibilities in ensuring that only customers who have registered and undergone the appropriate induction should be allowed to use the gym equipment.</p>	<p>Recommendation partially accepted.</p> <p>A review of entry routes, access procedures and training was progressed in Spring 2024, with reinforcement of requirements in respect of these undertaken periodically. This has removed any potential risk in respect of the points highlighted.</p> <p>Arrangements to update systems to conclude on the costs and viability of introducing photo membership cards are under review.</p> <p>Action Owner: Sports Centre Manager</p> <p>Completion Date: 31 January 2025</p>	<p>Following a period of consultation with staff and stakeholders, the College has taken the decision to discontinue the commercial operation of the sports centre, effective from 31 July 2025. This decision covers the operation of the swimming pool and public access to the sports centre fitness facility, therefore all of the actions identified in the Business Process Review can be closed off. The sports facility will revert to a curriculum resource from 1 August 2025.</p> <p>Considered But Not Implemented</p>



High Priority Items				
No	Short Description	Detail	Management Comments	Update at August 2025
2.	Safe Staffing Levels	<p>We were advised that changes in the requirements for the rotation of pool lifeguards has placed increased pressure on the ability to maintain safe staffing levels. This is exacerbated by the requirement for sports centre staff to provide first aid cover in the College, which can take them away from the sports centre while the centre is open. It was also highlighted that when the Sports Centre Manager is not on duty, then it is routinely the responsibility of the Duty Manager (or potentially the member of staff maintaining cover for the Duty Manager) to make the call on whether staffing levels are sufficient to safely open or to continue to remain open.</p> <p>Risk: There is a heightened risk that safe staffing levels cannot be maintained and that a serious incident in the pool could not be appropriately dealt with due to the availability of staff on duty, which could be depleted should a call be received on the first aid phone which is held by sports centre staff on duty.</p> <p>Recommendation: A risk assessment should be conducted to examine the current staffing rotas, and to ensure that safe staffing levels are maintained, particularly during the hours when the pool is open, and taking into account the challenges of securing staff from the “on call” list to cover staff sickness and to factor in the possibility that sports centre staff could be called away from the sports centre to deal with a first aid incident while they are on duty. A document should be prepared which sets out a “playbook” for managers to use when faced with a decision on whether to open or keep open facilities when a staffing incident (such as sickness, first aid incident or fire alarm incident) takes place, to enable them to take the decision not to open facilities or if facilities should be closed, in a scenario where safe staffing thresholds cannot be achieved.</p>	<p>Recommendation partially accepted.</p> <p>Risk assessments in respect of the potential staffing level risks identified have been reviewed and appropriate staffing levels, oversight and training are in place.</p> <p>The potential of conflict between sports centre operations and the wider College first-aid rota are noted and further review (and action as necessary) will be undertaken.</p> <p>Action Owner: Sports Centre Manager</p> <p>Completion Date: 31 January 2025</p>	<p>As per 1 above.</p> <p>Considered But Not Implemented</p>

Medium Priority Items				
No	Short Description	Detail	Management Comments	Update at August 2025
3.	Sport Centre Charges	<p>While the opening hours of sports centre facilities have been altered in order to bring them in line with other gyms operating in the local area, we were advised that the menu of sports centre charges has not been subject to fundamental review for several years and we were advised that charges (such as gym membership) fall well below the charges levied by competitors (such as gyms operated by Dundee City Council or private providers).</p> <p>Risk: There is a risk that the charges levied by the sports centre are not commercially viable and are not based on market intelligence gathered on the charges levied by competitor facilities.</p> <p>Recommendation: An analysis should be conducted, which includes benchmarking against local competition and stakeholder engagement, in order to allow a revised charging structure to be introduced, which may potentially require a change to exiting conditions for commercial lets.</p>	<p>This recommendation will be considered as part of the wider College review of commercialisation and effectiveness of sports centre operations at the Gardyne Campus, as noted in the audit scope.</p> <p>Action Owner: Business Partnerships Manager</p> <p>Completion Date: 30 June 2025</p>	<p>As per 1 above.</p> <p><i>Considered But Not Implemented</i></p>



Medium Priority Items				
No	Short Description	Detail	Management Comments	Update at August 2025
4.	Sports Centre Equipment	<p>We were advised by sports centre staff and academic staff that visitors to the gym routinely complain about the number of pieces of equipment which are broken and while there is an arrangement in place for the servicing and repair of equipment, the external provider who delivers the servicing and repairs contract has advised that in their view a significant proportion of the equipment utilised in the sports centre is nearing or has passed its useful life. We also established that there is no cyclical replacement programme in place for the gym equipment, with most of the equipment purchased at the same time several years ago. We were also advised by academic staff that the mechanisms for sports centre staff to report that equipment is out of operational use is not working effectively and this can impact on both academic delivery and in running events.</p> <p>Risk: The volume of equipment in operational use is not sufficient to meet the needs of staff, students and external customers.</p> <p>Recommendation: A review should be conducted to examine the feasibility of leasing new equipment or outright purchase, depending on whole life costs. This should be informed by a review of the condition of the existing equipment and an estimate of the remaining useful life. It should also be informed by stakeholder consultation with academic staff, students and external users to make sure that any investment in equipment is aligned with identified need. Thereafter a rolling replacement programme should be put in place to ensure that future investment in equipment is built into the budget going forward.</p>	<p>This recommendation will be considered as part of the wider College review of commercialisation and effectiveness of sports centre operations at the Gardyne Campus, as noted in the audit scope.</p> <p>Action Owner: Business Partnerships Manager</p> <p>Completion Date: 30 June 2025</p>	<p>As per 1 above.</p> <p>Considered But Not Implemented</p>

Medium Priority Items				
No	Short Description	Detail	Management Comments	Update at August 2025
5.	Staff Contracts	<p>It was apparent from our discussions with sports centre staff and with HR that the contractual arrangements for the Sports Centre Manager, the Duty Managers and Sports Attendants with a variety of different types of contracts in place, ranging from fixed hours to supply pool zero hours. As highlighted above, we were advised that the current contract arrangements create issues in terms of the ability to secure cover and in filling rotas. However, we were advised by Hr that the offer has been made to review he contract position for sports centre staff as part of a wider review of future staffing needs.</p> <p>Risk: The current contractual arrangements do not encourage staff recruitment and retention as they do not provide clarity over guaranteed hours. In addition, the current mix of fixed and variable contracts does not assist in maintaining safe staffing levels.</p> <p>Recommendation: As part of the budget setting process, a review of current staffing requirements should be conducted to allow a FTE calculation to be calculated for the delivery of business as usual and seasonal activity (such as the camps run in April and October) and to identify any changes which are required to staff contracts, in collaboration with HR and Finance colleagues (and potentially trade unions), to ensure that there is sufficient clarity for staff around the hours they will work to meet the needs of the sports centre and its internal and external customers(for example a minimum number of contracted hours), whilst providing the flexibility required to ensure that an effective “on call” list can be operated to maintain safe staffing levels (which is akin to the Dundee Leisure model of “support and supply”). This review should also examine the rates of pay for hours worked after 9pm and on Sundays.</p>	<p>This recommendation will be considered as part of the wider College review of commercialisation and effectiveness of sports centre operations at the Gardyne Campus, as noted in the audit scope.</p> <p>Action Owner: Business Partnerships Manager</p> <p>Completion Date: 30 June 2025</p>	<p>As per 1 above.</p> <p>Considered But Not Implemented</p>



Medium Priority Items				
No	Short Description	Detail	Management Comments	Update at August 2025
6.	Pool Plant and Sports Hall Roof / Ventilation	<p>A number of interviewees highlighted the fact that the current pool plant room is now nearing the end of its useful life. In addition, recurring leaks to the sports centre roof have impacted on academic delivery and on the facilities available for commercial lets. It was also flagged that the decision to prevent the opening of sports centre fire doors has created ventilation issues which are impacting on the delivery of physical activity during periods of hot weather. We were advised that although permission has been provided to allow fans to be plugged in, these do not reduce the temperature to a manageable level and therefore the commercial feasibility of delivering classes in hot weather is in doubt. We discussed these issues with the Head of Estates and with the former Head of Finance. Both explained that all of these were known issues, but that the restricted level of capital funding made available to the College made it very difficult to address these issues in the short term. It was explained that capital investment had been committed for investment to improve accessibility to the pool area. Therefore, any future investment in the pool plant room or in resolving the roof leaks or ventilation issues will require to be built into future capital funding discussions. We are also aware that a national estates condition survey is underway, and therefore it is highly unlikely that any major capital investment will be forthcoming from the SFC until the results of this national work is known. There is a backlog in customers seeking swimming lessons, and a national shortage of swimming instructors. In addition the closure of Craigie High School will remove a pool from the local area. Therefore, the reliance on the pool at Gardyne to meet local need for swimming lessons in the future is likely to increase over time.</p> <p>Risk: There is a risk that the current issues around the plant room, games hall roof and games hall ventilation begin to have a material impact on academic delivery, existing commercial lets; and the ability to enter into new commercial partnerships (because assurances cannot be provided around future capital investment).</p> <p>Recommendation: A review should be commissioned which quantifies the investment required to maintain a commercially viable sports centre at Gardyne in order to build a case for future SFC capital funding and partnership funding, in order to protect the ongoing future of the pool and the sports hall facilities.</p>	<p>This recommendation will be considered as part of the wider College review of commercialisation and effectiveness of sports centre operations at the Gardyne Campus, as noted in the audit scope.</p> <p>Action Owner: Business Partnerships Manager</p> <p>Completion Date: 30 June 2025</p>	<p>As per 1 above.</p> <p>Considered But Not Implemented</p>



Low Priority Items				
No	Short Description	Detail	Management Comments	Update at August 2025
7.	Clubwise system	<p>We were advised by a number of interviewees that the Clubwise system is difficult to operate and does not deliver all of the functionality required. We were also advised that customers had encountered difficulties in making payments and even when they did manage to make a payment this was not always captured through the system. It was also highlighted by academic staff that they are not always sighted on bookings which have been made and therefore the disconnect between the academic timetabling held on CELCAT and the sports centre booking system can create communication issues regarding the availability of facilities.</p> <p>Risk: The current systems available for recording and billing bookings do not meet the needs of sports centre staff and the disconnect with academic systems creates issues re a lack of visibility for academic staff regarding the availability of pool facilities.</p> <p>Recommendation: We would recommend that a review be conducted to compare the outcomes achieved from the Clubwise system against the outcomes described in the original business case. In addition, we would recommend that the possibility of providing read only access to academic staff to the pool booking system be explored to provide improved visibility.</p>	<p>This recommendation will be considered as part of the wider College review of commercialisation and effectiveness of sports centre operations at the Gardyne Campus, as noted in the audit scope.</p> <p>Action Owner: Business Partnerships Manager</p> <p>Completion Date: 30 June 2025</p>	<p>As per 1 above.</p> <p>Considered But Not Implemented</p>

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BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 16 September 2025



INTERNAL AUDIT

6.2 – 2024/25 PROGRESS REPORT

PAPER D

Dundee & Angus College

Internal Audit Progress Report

Audit & Risk Committee – 16 September 2025

Issued: 9 September 2025



Internal Audit Progress Report September 2025

Progress with the annual plan for 2024/25 is shown below.

Audit Area	Planned reporting date	Report status	Report Number	Overall Conclusion	Audit Committee	Comments
Annual Plan 2024/25	September 2024	Draft: 12/07/24 2 nd Draft: 15/07/24 3 rd Draft: 03/09/24 Final:	2025/01	N/A	17/09/24	
Payroll	March 2025	Draft: 16/05/25 Final: 16/05/25	2025/03	Good	03/06/25	Fieldwork start date was delayed until 25 March 2025, at the request of management.
Budgetary Control	June 2025					It was agreed with management that the days earmarked for Budgetary Control would be repurposed to deliver the support currently being provided to the Finance team on fixed assets. The Budgetary Control review will be deferred and included in the 2025/26 internal audit programme.
Staff Development	March 2025	Draft: 04/02/25 Final: 07/02/25	2025/02	Good	04/03/25	



Audit Area	Planned reporting date	Report status	Report Number	Overall Conclusion	Audit Committee	Comments
Digital Strategy Implementation	June 2025					The new College Digital Strategy is still in draft form, so it has been agreed with management to defer this review into the 2025/26 internal audit programme. The audit will review the processes for the development of the new strategy and review and assess progress and outcomes relative to the strategy in place up to 2025.
Credits	December 2025					Fieldwork commenced 18/08/25. Audit testing has now been carried out, and queries are currently being cleared. The final FES / College certificate will be required before our work is completed.
Bursary, Childcare and Hardship Funds	December 2025					Fieldwork commenced 11/08/25. Audit testing has now been carried out, and queries are currently being cleared.
EMA	December 2025					The final FES / College certificates will be required before our work is completed.
Follow Up Reviews	September 2025	Draft: 02/09/25 Final: 04/09/25	2025/04	N/A see comments	16/09/25	12 Fully Implemented 8 Considered but not Implemented 20 in Total

Gradings are defined as follows:

Good	System meets control objectives.
Satisfactory	System meets control objectives with some weaknesses present.
Requires improvement	System has weaknesses that could prevent it achieving control objectives.
Unacceptable	System cannot meet control objectives.

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BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 16 September 2025



INTERNAL AUDIT

6.3 – 2025/26 DRAFT AUDIT PLAN

PAPER E

Dundee and Angus College

Strategic Internal Audit Plan 2025 to 2028 and Internal Audit Annual Plan 2025/26

Internal Audit report No: 2026/01

Draft issued: 3 September 2025

2nd Draft issued: 8 September 2025

Final issued:



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1. Introduction

- 1.1 We have been re-appointed as Internal Auditors of Dundee and Angus College ('the College') for the period from 1 October 2025 to 30 September 2028, with the option to extend for 2 x 12 month periods.
- 1.2 Internal audit primarily provides an independent and objective opinion to the Board and to the Principal on risk management, control and governance, by measuring and evaluating their effectiveness in achieving the College's agreed objectives. In addition, internal audit's findings and recommendations are beneficial to line management in the audited areas. Risk management, control and governance comprise the policies, procedures and operations established to ensure the achievement of objectives, the appropriate assessment of risk, the reliability of internal and external reporting and accountability processes, compliance with applicable laws and regulations, and compliance with the behavioural and ethical standards set for the College.
- 1.3 Internal audit also provides an independent and objective consultancy service specifically to help line management improve the College's risk management, control and governance.
- 1.4 The purpose of this document is to present to the members of the Audit and Risk Committee the Strategic Plan for 2025 to 2028 and the outline annual internal audit operating plan for the year ended 31 July 2026.
- 1.5 We see completion of the Audit Needs Assessment (ANA) as a collaborative process in order to ensure that the risks facing the College are fully and properly identified and are therefore covered in the work cycle.
- 1.6 Through discussions with the Senior Leadership Team, and review of key documentation (including the Strategic Risk Register), we have built up a picture of the key risks, issues and priorities for the College over the next three years.
- 1.7 Undertaking this work has allowed us to consider the level of risk and complexity of each area of your operations and to assess the internal audit resources required to allow adequate coverage of the elements of the audit universe, where it is appropriate for internal audit to focus attention. The audit universe utilised has been tailored specifically for the College. From the topics listed on the tailored audit universe we have drawn up a three-year Strategic Plan, in conjunction with management, setting out proposed areas for audit attention over the internal audit cycle.
- 1.8 The Strategic Plan places the risk based planned coverage under three main strands: Governance, Financial and Performance. The planned coverage should be reviewed annually prior to finalisation of the Annual Plan and detailed audit planning of individual assignments.
- 1.9 There is an expectation by external auditors that some element of review is included in the internal audit programme each year in relation to core financial systems; budgetary processes and controls. This has been taken into consideration in formulating the Strategic Plan.
- 1.10 Value for Money (VFM) is an integral part of all audits and has been mentioned at key points within this ANA. Specific VFM reviews will be carried out in areas agreed with management and the Audit and Risk Committee although VFM is considered as an integral part of any audit work that we are undertaking.
- 1.11 We will draw on the experience within our team to provide input on the use of a wide range of business improvement tools, including the use of lean systems and methodologies, where this is appropriate and relevant to the specific audit assignment.



- 1.12 For discussion purposes, at Section 2 we have included proposed coverage for the three years commencing 2025/26 which has been determined from the ANA process.
- 1.13 At Section 3 of this report we have set out the outline scope and objectives for each audit assignment to be undertaken during 2025/26, together with the audit approach. These have been arrived at following consideration by the Senior Leadership Team. The outline scopes will be refined and finalised after discussion with responsible managers in each audit area.
- 1.14 Separate reports will be issued for each assignment with recommendations graded to reflect the significance of the issues raised. In addition, audit findings will be assessed and graded on an overall basis to denote the level of assurance for the area reviewed and therefore the priority that should be given to each report.
- 1.15 We have produced this document and carry out all our internal audit practice in line with the requirements of the Global Internal Audit Standard (effective from 9 January 2025) and the Global Internal Audit Standards in the UK Public Sector (effective from the 1 April 2025).

2. Strategic Plan 2025 to 2028

The Strategic Plan covers the financial years 2025/26 to 2027/28. Audit days have been allocated across the audit universe categories. These topics were identified from our review of key risk areas to produce a rolling programme of work. Frequency of visits, the number of days allocated, and the position in the audit cycle has been determined with reference to the combined risk factors identified in the ANA. The base number of days per annum of 40 is in line with the indicative number set out in our tender submission. Prioritisation will be revisited annually during preparation of the Annual Plan.

Audit Methodology

In all cases the audit work involves:

- Identification of the expected controls.
- Review of systems to identify actual controls.
- Consideration of established Best Practice in the area.
- Testing of controls to ensure they are operating effectively.
- Consideration of VFM issues where appropriate on all audit assignments and conducting specific VFM reviews as agreed with College management and the Audit and Risk Committee.
- Consideration of the relevance of business improvement tools, including lean systems and methodologies, to individual audit assignments.
- Discussion of findings and our likely recommendations with the relevant managers and staff involved with the systems. Recommendations will be graded to help management prioritise their importance.
- Issue of a draft report to confirm factual accuracy and obtain official management responses for inclusion in the final report.
- Issue of a final report that summarises audit objectives, work carried out, the implications of the findings for internal control, and an action plan with areas for improvement. The action plan will allocate responsibility for the implementation and give a timeframe for completion.
- Follow-up of action plans in future years.

Strategic Internal Audit Plan 2025 to 2028 and Internal Audit Annual Plan 2025/26 – DRAFT

Proposed Allocation of Audit Days

	Category	Priority	Planned 25/26 Days	Planned 26/27 Days	Planned 27/28 Days
Reputation					
<i>Publicity and Communications</i>	Gov	M			
<i>Health and Safety / Wellbeing (including physical safety in buildings)</i>	Gov	M			5
<i>Compliance with legislation</i>	Gov	M			
Student Experience					
<i>Curriculum</i>	Perf	L			
<i>Quality</i>	Perf	M			
<i>Student support</i>	Perf	M			
<i>Student recruitment and retention</i>	Fin/Perf	M			
<i>Student welfare – Duty of Care</i>	Perf	L			
<i>Student engagement / Students Association</i>	Gov	L			
Staffing					
<i>Staff recruitment and retention</i>	Perf	L			
<i>Staff development</i>	Perf	M			
<i>Payroll</i>	Fin	M			5
<i>Workforce planning</i>	Perf	M			
<i>Teaching staff utilisation</i>	Perf / Fin	M			
Estates and Facilities					
<i>Building maintenance</i>	Fin/Perf	H			
<i>Infrastructure vision (plans, communications and health check)</i>	Fin/Perf	H		5	
<i>Capital projects</i>	Fin/Perf	H			
<i>Space management / room utilisation</i>	Perf	L			
<i>Asset / fleet management</i>	Perf	L			
Financial					
<i>Budgetary control</i>	Fin	H	5		
<i>Student invoicing and debt management</i>	Fin	M			
<i>General ledger</i>	Fin	L			
<i>Procurement and creditors / purchasing – Sustainable procurement</i>	Fin	H	5		
<i>Debtors/ Income and cashflow</i>	Fin	M		4	
<i>Cash & Bank / Treasury management</i>	Fin	L			
<i>Fraud Prevention, Detection and Response</i>	Fin	L			
<i>Financial sustainability (including commercial services and non-core income)</i>	Fin	H		5	



Strategic Internal Audit Plan 2025 to 2028 and Internal Audit Annual Plan 2025/26 – DRAFT

Proposed Allocation of Audit Days (continued)

	Category	Priority	Planned 25/26 Days	Planned 26/27 Days	Planned 27/28 Days
Commercial					
<i>Business Development</i>	Fin/Perf	H			
<i>External Activities</i>	Gov/Fin/Perf	H			
Organisational					
<i>Risk Management</i>)	Perf	L			
<i>Business Continuity / Disaster</i>	Perf	M			
<i>Recovery</i>)					
<i>Corporate Governance</i>	Gov	L			
<i>Strategic and Operational Planning</i>	Perf	L			4
<i>Performance reporting / KPIs</i>	Perf	L			
<i>Partnership Working</i>	Gov/Perf	M			
<i>Equalities</i>	Gov	L			
<i>Environmental Sustainability</i>	Gov/Perf	H			
<i>Organisational Development</i>	Perf	M			
<i>Project Management</i>	Gov/Fin/Perf	M			
Information and IT					
<i>Cyber security</i>)	Perf	H			5
<i>Data protection</i>)	Gov	H			
<i>FOI</i>)	Gov	L			
<i>Systems development / implementation</i>	Perf	M			
<i>REMS system review</i>	Perf	M		5	
<i>Digital Strategy</i>	Perf	M	5		
<i>Licencing</i>	Perf	L			
Other Audit Activities					
Credits Audit	Required	N/A	8	8	8
Bursary, Childcare and Hardship Funds Audit	Required	N/A	6	6	6
EMA Audit	Required	N/A	2	2	2
Management and Planning)			3	3	3
External audit / SFC)					
Attendance at Audit Committee)					
Follow-up reviews		N/A	2	2	2
Support on capital accounting and audit requirements		N/A	4		
Total			<u>40</u> =====	<u>40</u> =====	<u>40</u> =====

Key

Category: Gov – Governance; Perf – Performance; Fin – Financial

Priority: H – High; M – Medium; L – Low



3. Outline Scope and Objectives

Audit Assignment:	Budgetary Control
Priority:	High
Fieldwork Timing	April / May 2026
Audit & Risk Committee Meeting:	June 2026
Days:	5

Scope

This audit will review the College's financial planning and budgetary control practices and protocols, to consider whether these are in line with good practice. This will include consideration of budget monitoring procedures in place centrally and within a sample of academic and support functions.

Objectives

The objectives of the audit will be to ensure that:

- the College has developed a long-term financial strategy, which includes long-term financial forecasts;
- assumptions used in the financial forecasting returns submitted to the SFC are robust, realistic and are applied consistently. Any departure from the SFC guidance on common sector assumptions is justified to the Board and the SFC;
- the budget setting process is aligned to financial regulations and procedures and is linked to corporate and operational planning processes, and budgets are revisited and revised when spending plans change or income targets are not achieved;
- information is available to management in academic and support functions which is up-to-date and in a format that can be easily understood by budget holders with the necessary skills for managing budgets; and
- senior management and the Board regularly review the College's overall financial position (including the cash flow position) and variations from budget are reported and acted upon.

Our audit approach will be:

The Vice Principal Support Services and Operations, the Director of Finance, Finance staff, and a sample of budget holders in academic and support functions will be interviewed, and financial plans, forecasts and reports reviewed, to determine current working practices in financial planning and budget monitoring, and the information and training provided to budget holders.

The processes used to prepare financial reports for senior management, the Board, and the SFC will be determined through discussion with Finance staff and review of supporting working papers.

We will also establish and review the budget monitoring information provided to the College's Senior Leadership Team and to the Board.

Audit Assignment:	Procurement and Creditors / Purchasing – Sustainable Procurement
Priority:	Medium
Fieldwork Timing	June / July 2026
Audit & Risk Committee Meeting:	September 2026
Days:	5

Scope

This audit will focus on the systems of internal control in place for the ordering of goods and services and the payment of invoices. We will also consider whether the procurement strategy followed and procedures in place support best value purchasing across the College in relation to non-pay spend.

Objectives

The specific objectives of the audit will be to ensure that:

- the College's Procurement Policy, Strategy and procurement guidance are comprehensive, kept up-to-date and in line with the Procurement Reform (Scotland) Act 2014 ('the Act') and The Procurement (Scotland) Regulations 2016 ('the Regulations');
- procurement procedures ensure that:
 - ◆ areas of high spend across the College are monitored appropriately;
 - ◆ opportunities for pooling of expenditure are identified in order to achieve best value;
 - ◆ collaborative procurements and frameworks available to the College are utilised where appropriate; and
 - ◆ the sustainable procurement duty is met.
- purchase orders are completed for relevant purchases and are approved by members of staff with sufficient delegated authority prior to issue to suppliers, with the risk of unauthorised and excessive expenditure being minimised;
- the College's procurement guidance on quotes and tenders are being complied with;
- all liabilities are fully and accurately recorded;
- all payments are properly authorised, processed and recorded; and
- appropriate controls are in place over the amendment of standing supplier data on the finance system.

Our audit approach will be:

From discussions with Procurement staff, and a sample of budget holders, we will establish what procurement strategies, procedures and monitoring arrangements are in place within the College. These will then be evaluated to establish if they follow recognised good practice. We will also document controls in place within the purchasing / payments system through interviews with Finance staff and seek to establish whether the expected key controls are in place. Compliance testing will be performed to determine whether the key controls are working effectively.

Audit Assignment:	Digital Strategy Implementation
Priority:	Medium
Fieldwork Timing	November / December 2025
Audit & Risk Committee Meeting:	March 2026
Days:	5

Scope

Digital technology is key to delivering a wide range of College services in a more economic, efficient and effective way. Having a clearly articulated strategic approach to digital can bring several benefits such as:

- establishing a common vision for use of digital and the intended outcomes for learners, staff and external stakeholders linked to the College's strategic objectives;
- helping to ensure that College's use of digital technology is aligned with its key strategic objectives and other plans and strategies and is informed by a good understanding of current and future trends;
- reducing the risk of duplication of processes and systems within the College;
- consideration of resourcing digital over the short, medium and longer term together; and
- providing a framework against which to monitoring progress over the short, long and medium term.

This audit will review the processes for the development of the new Digital Strategy within the College and review and assess progress and outcomes relative to the Digital Strategy in place up to 2025. We will review the adequacy and effectiveness of the governance, processes, and key controls over the definition, maintenance and delivery of the Digital Strategy to help the College meet its business objectives.

Objectives

The objectives of the audit will be to obtain reasonable assurance that:

- the Digital Strategy is aligned with the objectives outlined in the Strategic Plan and other supporting strategies;
- the Digital Strategy is aligned with Scotland Digital, the national digital strategy for the sector developed by Colleges Scotland;
- all internal and external stakeholders have been identified and provided opportunities to provide input and inform the identification of requirements of the IT Digital Strategy;
- the aims set out in the strategy are underpinned by projects which are aligned with an information systems and digital infrastructure development roadmap.
- an appropriate governance structure is in place that ensures that digital related projects, initiatives and requests are aligned to the Digital Strategy;
- the College is using / planning to use digital technology to meet learner and staff needs and deliver better outcomes, and is able to demonstrate this. This includes consideration of the potential impact of artificial intelligence on the College's teaching and learning approach; and
- there is regular reporting to the Executive Team and Board on progress to deliver the Digital Strategy and the effectiveness of the Strategy.

Audit Assignment:

Digital Strategy Implementation
(continued)

Our audit approach will be:

Through discussions with the Director of Infrastructure, Head of Digital Services, and other relevant managers and staff, and review of relevant documentation, we will assess whether the Digital strategic planning process and monitoring controls accord with good practice, and is aligned with sector and national digital objectives.

Audit Assignment:	Credits Audit
Priority:	Required annual audit
Fieldwork Timing	August / September 2026
Audit & Risk Committee Meeting:	December 2026
Days:	8

Scope

Credits Audit Guidance, issued by SFC, requests that colleges obtain from their auditor's assurances as to the reasonableness of procedures used in the compilation of the Credits related element of the student activity data for the academic year (FES return).

Objectives

To obtain reasonable assurance that:

- the student data returns have been compiled in accordance with all relevant guidance;
- adequate procedures are in place to ensure the accurate collection and recording of the data; and
- the FES return on student activity data is free from material misstatements.

Our audit approach will be:

Through discussion with College staff, and review of relevant documents, we will record the systems and procedures used by the College in compiling the returns to SFC and assess and test their adequacy. We will carry out further detailed testing, as necessary, to enable us to conclude whether the systems and procedures are working satisfactorily as described to us.

A detailed analytical review will be carried out to obtain explanations for any significant variations from the previous year's activity.

Our testing will be designed to cover the key areas of risk identified at Annex C to the SFC Credits Audit Guidance.

We will also review the final error report from the FES on-line checks.

Audit Assignment:	Bursary, Childcare and Hardship Funds Audit
Priority:	Required audit
Fieldwork Timing	August / September 2026
Audit & Risk Committee Meeting:	December 2026
Days:	6

Scope of the Audit

We will carry out an audit on the College's student support funds for the year ended 31 July 2026 and provide an audit certificate.

Objectives of the Audit

The audit objectives will be to obtain reasonable assurance that:

- the College complies with the terms, conditions and guidance notes issued by the SFC and SAAS;
- payments to students are genuine claims for hardship, childcare or bursary, and have been processed and awarded in accordance with College procedures; and
- the information disclosed in each of the returns for the year ended 31 July 2026 is in agreement with underlying records.

Our audit approach will be:

- Reviewing new guidance from the SFC and SAAS and identifying internal procedures through discussion with College staff, and review of relevant documents;
- Agreeing income to letters of award;
- Reconciling expenditure through the financial ledger to returns, investigating reconciling items;
- Reviewing for large or unusual items, obtaining explanations where necessary; and
- Carrying out detailed audit testing, on a sample basis, on expenditure from the funds.

Audit guidance issued by SFC will be utilised. This includes 'Areas of risk and audit considerations' for bursaries and for the discretionary funds and childcare.

Audit Assignment:	EMA Audit
Priority:	Required audit
Fieldwork Timing	August / September 2026
Audit & Risk Committee Meeting:	December 2026
Days:	2

Scope of the Audit

Guidance on the audit requirements for Education Maintenance Allowances (EMAs), issued by SFC, includes the requirement to have a separate audit of EMAs on an academic year (August to July) basis.

Objectives of the audit

To obtain reasonable assurance that:

- the information set out in the EMA returns is in agreement with the underlying records;
- the College used the funds in accordance with SFC's conditions and the principles of the EMA programme; and
- the systems and controls for the administration and disbursement of the funds are adequate.

Our audit approach will be:

Through discussion with Finance staff, and review of relevant documents, we will record the systems and procedures used by the College in compiling the EMA returns and assess and test their adequacy. We will carry out further detailed testing, as necessary, to enable us to conclude that the systems and procedures are working satisfactorily as described to us.

Audit Assignment:	Follow-Up Reviews
Priority:	Various
Fieldwork Timing	July / August 2026
Audit & Risk Committee Meeting:	September 2026
Days:	2

Scope

This review will cover reports from the 2024/25 internal audit programme and reports from earlier years where previous follow-up identified recommendations outstanding.

Objectives

To establish the status of implementation of recommendations made in previous internal audit reports.

Our audit approach will be:

- for the recommendations made in previous reports ascertain by enquiry or sample testing, as appropriate, whether they have been completed or what stage they have reached in terms of completion and whether the due date needs to be revised; and
- prepare a summary of the current status of the recommendations for the Audit & Risk Committee.

Appendix I – Previous Coverage and Link to College Strategic Risk Register

	Previous Internal Audit Coverage	Strategic Risk Ref.
Reputation		
<i>Publicity and Communications</i>	21/22	3.5, 3.6, 3.7
<i>Health and Safety / Wellbeing</i>	22/23	3.3, 3.4
<i>Compliance with legislation</i>		3.3
Student Experience		
<i>Curriculum</i>	20/21	1.1, 1.4
<i>Quality</i>		3.1, 3.2
<i>Student support</i>		3.4
<i>Student recruitment and retention</i>	15/16	1.1
<i>Student welfare – Duty of Care</i>	18/19	3.9
<i>Student engagement / Students Association</i>	18/19	3.1, 3.4
Staffing		
<i>Staff recruitment and retention</i>	19/20	3.10, 3.12
<i>Staff development</i>	24/25	3.4, 3.12
<i>Payroll</i>	24/25	2.4
<i>Voluntary severance scheme</i>	13/14	2.2
<i>Workforce planning</i>	17/18	2.3
<i>Teaching staff utilisation</i>	22/23	2.3
Estates and Facilities		
<i>Building maintenance</i>		2.6, 4.5
<i>Estates strategy / capital projects</i>	22/23	2.5, 2.6, 4.5
<i>Space management / room utilisation</i>	15/16	4.5
<i>Asset / fleet management</i>	17/18	
<i>Catering BPR</i>	18/19	2.2
Financial		
<i>Budgetary control</i>	20/21	1.3, 2.2, 2.3, 2.4, 2.5, 2.6
<i>Student invoicing and debt management</i>	21/22	2.4
<i>General ledger</i>	13/14	2.4
<i>Procurement and creditors / purchasing – Sustainable procurement</i>	23/24	2.4, 3.10
<i>Debtors/ Income</i>	13/14	2.4
<i>Cash & Bank / Treasury management</i>	22/23	2.4
<i>Fraud Prevention, Detection and Response</i>	20/21 (NFI)	2.4
<i>Financial sustainability</i>		1.2, 1.3, 2.1, 2.2, 2.3, 2.5, 2.6, 3.6

Strategic Internal Audit Plan 2025 to 2028 and Internal Audit Annual Plan 2025/26 – DRAFT

	Previous Internal Audit Coverage	Strategic Risk Ref.
Commercial		
<i>Business Development</i>	20/21	1.1, 2.2
<i>External Activities</i>		1.1, 2.2
<i>Sports Centre Operations BPR</i>	23/24	2.2
Organisational		
<i>Risk Management</i>)	23/24	All
<i>Business Continuity / Disaster</i>	23/24	3.11, 4.1, 4.3
<i>Recovery</i>)		
<i>Corporate Governance</i>	14/15	
<i>Strategic and Operational Planning</i>	13/14	1.1, 1.2, 1.4, 2.1
<i>Performance reporting / KPIs</i>	13/14	
<i>Partnership Working (incl. Regional Engagement) – Tay Cities Deal</i>	22/23	1.1, 3.2
<i>Equalities</i>	18/19	3.3
<i>Environmental Sustainability</i>	23/24	1.5
<i>Organisational Development</i>	14/15	
<i>Project Management</i>		1.3
Information and IT		
<i>Cyber security</i>	21/22	3.8, 4.3, 4.4
<i>Data protection</i>	21/22	3.3, 3.8, 4.4
<i>FOI</i>		3.3
<i>Systems development / implementation</i>	20/21	4.2
<i>Digital Strategy</i>	19/20	4.2
<i>Licencing</i>	16/17	3.3
Other Audit Activities		
Credits Audit	Annual	
Bursary, Childcare and Hardship Funds Audit	Annual	
EMA Audit	Annual	
Follow-up reviews	Annual	
Total		



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BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 16 September 2025



INTERNAL AUDIT

**6.4 – PROGRESS REPORT- PROCUREMENT
& CREDITORS**

PAPER F

BOARD OF MANAGEMENT



Audit & Risk Committee 16 September 2025

Progress Report - Procurement and Creditors Internal Audit Recommendations

Paper for information

1. Introduction

Procurement and Creditors was selected for review in our 2023/24 Internal Audit Plan and Audit and Risk Committee considered the Auditor's Report on 4 June 2024.

The overall report level of assurance was 'Requires Improvement' meaning the system has weaknesses that could prevent it fully achieving control objectives.

The auditors made six recommendations which were all accepted by management. Audit and Risk Committee requested an update on actions arising from the Procurement and Creditors Report at its meeting on Tuesday 3 June 2025.

2. Recommendations

Members are asked to note the progress below and in particular that all recommendations due are complete. Recommendation 2 is superseded, as explained in section 3, Recommendation 2 of this report.

Members requested that Creditors and Procurement is included on the 2025/26 internal audit plan for follow up and this is included in the draft internal audit plan, elsewhere on this agenda.

3. Progress to February 2025

The following provides a summary of progress in respect of creditors and procurement audit recommendations up to 26 May 2025.

Recommendation 1

Priority Action Grade	Report Grade	Recommended Action	Responsible Officer	Deadline
3	Requires improvement	R1 Although the College's Procurement Policy and Procurement Authorisation Process documents are comprehensive, clear, and are in line with extant Act and Regulations, they should be updated in line with the agreed review frequency to ensure that they accurately reflect any changes in relevant legislation, emerging procurement best practice, staff responsibilities, and the College's procurement values, aims, and approach.	Head of Procurement APUC	31 December 2024 Complete

Progress

The Procurement Policy and Procurement Authorisation Process were approved by Finance and Property Committee on 3 December 2024 and have been issued to staff via the staff portal. This recommendation is complete.

Recommendation 2

Priority Action Grade	Report Grade	Recommended Action	Responsible Officer	Deadline
3	Requires improvement	R2 The College should conduct a cost/benefit analysis to assess the impact of changing the approach for ordering of catering supplies and repairs in order to create additional opportunities for smaller, local suppliers to bid for the provision of goods and services related to catering. This could involve establishing the College's own purchasing framework (similar to the Minor Works and Building Maintenance framework currently being worked on) or comparing quotes from local suppliers for select categories of catering spend.	Head of Procurement APUC	31 August 2025

Progress

Audit and Risk Committee agreed a revised deadline of 31 August 2015 for implementation of this recommendation to enable collaboration between APUC and the catering team.

Advanced Procurement for Universities and Colleges Scotland (APUC) and our new Procurement Manager have advised that we cannot exclude non-local suppliers from bidding for our contracts and after careful consideration, no justification has been found for requiring it, so we are using the existing national TUCO framework to cover our catering supplies and repairs requirements. This recommendation is therefore closed.

Recommendation 3

Priority Action Grade	Report Grade	Recommended Action	Responsible Officer	Deadline
2	Requires improvement	R3 The College should improve enforcement of compliance in regard to raising Purchase Orders for relevant transactions. The College should clearly communicate to staff that it is against the College's policy to arrange for the supply of goods or services without an appropriately approved Purchase Order and explain to staff how the process helps maintain value for money and minimise supplier risk. Consideration should be given to establishing a more robust "No PO, No Pay" policy, with exclusions explicitly defined and adequately explained to staff members.	Director of Finance	End September 2024 Complete

Progress

We have reiterated to staff that it is against the College's policy to arrange for supply of goods or services without an appropriately authorised Purchase Order. We have explained how this maintains value for money and minimises risk.

The College's existing Purchase Order Requisition Procedure (PP1) requires POs to be raised for all purchases, with the exception of utilities (e.g. telephony, electricity, rates, rent) and emergency purchases, e.g. urgent estates repairs. The Purchase Order Requisition Procedure (PP1) ensures we comply with our financial governance requirements and in particular, Financial Regulations and Procurement Regulations.

Since we received this audit recommendation in May 2024, we have focussed efforts on increasing purchase order usage and visible control in our highest spend areas. Estates expenditure comprises 30% (£1.9m) and Digital 19% (£1.3m) of our budgeted procurement related expenditure.

We are still working closely with Estates colleagues to consolidate invoices on a weekly/monthly basis for suppliers with high volume/low value expenditure. We are raising purchase orders with these suppliers for the expected spend for the week/month ahead, eliminating a significant amount of processing time and increasing the overall value of purchase order compliance. Estates compliance increased from 8% in 2023/24 to 46% in 2024/25.

Since February we have held several meetings with budget holders across the organisation to reiterate the need for raising POs and identify ways finance can support compliance. These meetings are on-going and prioritised to those budget holders with the lowest compliance.

Overall PO compliance was 23% in 2023/34 when comparing number of purchase orders to numbers of invoices. This has increased to 39% in 2024/25. PO compliance compared to the value of invoices is currently 42% and this was 26% in 2023/24.

Next steps:

1. We are continuing continue to support the Estates team to identify ways to increase purchase order usage and minimise processing time **(on-going)**
2. We will continue to work with other prioritised areas in the College to consolidate purchase order and invoice activity. **(on-going)**
3. We are continuing to monitor PO usage on a monthly basis and we are working with prioritised individual areas to improve Purchase Order usage across the College **(on-going)**

There is always a balance to be struck between the control arrangements in place and the efficient and pragmatic operation of our activities. The Senior Leadership Team has considered implementing a strict 100% No PO, No Pay Policy. This policy is increasingly in use by some public sector bodies to support financial control and compliance and is a desired way forward from a financial compliance perspective.

In practice, the No PO, no pay policy means invoices that do not contain a PO number will not be paid, potentially creating significant issues with suppliers and budget holders and impacting adversely on College operations, given that most transactions still do not have purchase orders.

As this work progresses and PO usage increases, we will look to implement the No PO, No Pay Policy for all activities and budgets where this is possible for the 2026/27 financial year.

Recommendation 4

Priority Action Grade	Report Grade	Recommended Action	Responsible Officer	Deadline
2	Requires improvement	R4(i) The College should conduct a review of existing procurement arrangements, to ensure that external procurement support is structured in a way which will effectively contribute to the delivery of value for money and minimisation of risk at the College. This should involve a specific focus on the future role and responsibility of the TRPT given the existing resource constraints.	Director of Finance	End Sept 2024 Complete

Priority Action Grade	Report Grade	Recommended Action	Responsible Officer	Deadline
2	Requires improvement	R4(ii) The College should communicate to all staff the purpose, importance, and added value of appropriately conducted procurement activity. Staff members should be reminded of the Procurement Policy and procedures in place, and of TRPT's strategic and operational role in managing and assisting with procurement activity. The need for compliance with the established procurement arrangements should be emphasised, and any repeated non-adherence by individuals or departments should be monitored and corrective action taken. A rationale should be given by the purchasing department in any instance where procurement activity has not been conducted in line with the College's guidance.	Director of Finance	End-September-2024 Revised deadline: 31 January 2025 Complete

Progress

Alongside the introduction of revised operational arrangements, we have reinforced with staff the purpose, importance and added value of procurement activity and the need to follow financial governance requirements. We are actively monitoring compliance, and corrective action will be taken where required. We require a written rationale where departments have not complied fully with procurement guidance.

Recommendation 5

Priority Action Grade	Report Grade	Recommended Action	Responsible Officer	Deadline
2	Requires improvement	R5 The College should consider re-establishing induction and refresher training for non-procurement staff involved in purchasing and procurement activity. This would help staff to understand the legislative background and enhance their knowledge of business processes and internal governance, as well as familiarising them with TRPT and ensuring that they are aware of the team's strategic and operational role in relation to procurement activity	Head of Procurement APUC	End Sept 2024 Revised deadline: 31 March 2025 Complete

Progress

APUC developed induction and refresher training and this was delivered on 13 March 2025. A video of the training is available to all budget holders on the Dundee and Angus Portal.

Recommendation 6

Priority Action Grade	Report Grade	Recommended Action	Responsible Officer	Deadline
2	Requires improvement	R6 The College should examine the following elements of the process to amend standing supplier data: R6 (i) It should be ensured that the process utilised in practice is in line with the documented Bank Account Changes Procedures.	Director of Finance	30 June 2024 Complete
2	Requires improvement	R6 (ii) It should be ensured that evidence of processing the changes is appropriately retained in a shared location available to the Finance Team. This should capture all requests received, details of the changes made, how they were verified as bona fide, and evidence of any subsequent independent checks and approvals conducted. The establishment of a central record, available to the Finance Team, containing all amendments made to supplier standing data, such as a spreadsheet, should be considered.	Director of Finance	30 June 2024 Complete

Priority Action Grade	Report Grade	Recommended Action	Responsible Officer	Deadline
2	Requires improvement	R6 (iii) The introduction of built-in system controls in the Sun / P2P systems should be considered, which would require authorisation by an appropriately senior member of the Finance Team prior to any changes to supplier bank details going live and the account being enabled for payment. This would ensure that review and approval is not retrospective, and segregation of duties cannot be circumvented.	Director of Finance	30 June 2024 Request approval for revised deadline: 31 December 2024 Complete

Progress

R6(i) The documented Supplier Bank Account Changes procedure has been revised and re-issued to finance staff.

R6(ii) Evidence of supplier bank account changes processed, verification and approval is retained in a central location accessible to the finance team.

R6(iii) We have consulted our supplier and it is not possible to build authorisation system controls into the P2P system to ensure segregation of duties controls cannot be circumvented. We are content that the existing internal controls provide adequate assurance.

4. Link to Strategic Risk Register

Information in this report is intended to provide Board members with reassurance that actions and activities are being progressed and addressed that support the mitigation of a range of risks identified within the Strategic Risk Register namely:

2.4 – Financial fraud

3.2 – Failure to achieve/maintain compliance arrangements, e.g. contracts, awarding bodies, audit.

Author: Nicky Anderson, Director of Finance

Executive Sponsor: Steve Taylor, Vice Principal Support Services and Operations

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 16 September 2025



INTERNAL AUDIT

6.5 – FOLLOW UP SUMMARY

PAPER G

BOARD OF MANAGEMENT

Audit & Risk Committee Tuesday 16 September 2025



Audit Recommendations Follow-up Summary

Paper for information

1. Introduction

This report provides an update on outstanding internal and external audit recommendations. These include a combination of actions:

- that are not yet due to be completed or;
- where the originally anticipated deadline has passed or;
- that are partially completed.

2. Recommendations

Members are asked to note the progress below and are asked to approve the revised implementation deadlines detailed in section 5 of this report.

3. Background

The following provides a summary of current progress in respect of audit recommendations up to 31 August 2025.

Audit Area	Rec. priority	Considered, but not agreed	Number agreed	Number fully implemented/complete	Number partially implemented	Behind original implementation date	On target
Procurement & Creditors May 2024	2	-	9	9	-	-	-
2023/24 Student Activity	3	-	3	3	-	-	-
2023/24 Student Support Funds	2	-	1	1	-	-	-
Sports Centre Review	NA	-	7	7	-	-	-
Payroll	3	-	-	-	-	-	-
Total		0	20	20	-	-	0

The recommendation priorities are detailed below. They denote the level of importance that should be given to each recommendation within the audit reports.

Priority 1	Material risk, requires attention of management and the Audit and Risk Committee
Priority 2	Significant risk, should be addressed by management
Priority 3	Minor risk or enhancement to efficiency and effectiveness

4. Progress to 31 August 2025

All recommendations are now fully implemented. The audit recommendations with the respective progress updates are detailed in Appendix A.

A report providing more detail on the implementation of the Procurement and Creditors recommendations is provided elsewhere on this agenda (Paper D).

5. Link to Strategic Risk Register

Consideration of the outstanding actions is intended to provide Members with reassurance that actions for improvement are being progressed and addressed.

Progressing these Internal Audit and other outstanding actions will support the mitigation of the relevant risks identified within the Strategic Risk Register.

Authors: Steve Taylor, Vice Principal Support Services and Operations &
Nicky Anderson, Director of Finance

Executive Sponsor: Steve Taylor, Vice Principal Support Services and Operations

Appendix A

Outstanding Recommendations Update 3 June 2025

Year	Audit Area Report Title	Priority Action Grade	Report Grade	Action	Responsible Officer	Deadline	Progress (as at 31 August 2025)
2024/03	Procurement & Creditors	3	Requires Improvement	R2 The College should conduct a cost/benefit analysis to assess the impact of changing the approach for ordering of catering supplies and repairs in order to create additional opportunities for smaller, local suppliers to bid for the provision of goods and services related to catering. This could involve establishing the College's own purchasing framework (similar to the Minor Works and Building Maintenance framework currently being worked on) or comparing quotes from local suppliers for select categories of catering spend.	Head of Procurement APUC	End Nov 2024 31 August 2025	Complete
2024/06	2023/24 Student Activity Data	3	NA	R1 Where academic staff agree that students can defer their studies to the next academic session, confirmation of deferment should be communicated to MIS staff and students flagged as deferred in UNIT-e to ensure that the Credits claim is adjusted for the current year.	Administration Project Manager, and Data Management Team Leader	30 June 2025	Complete
2024/06	2023/24 Student Activity Data	3	NA	R2 For students who withdraw from their courses, ensure that the withdrawal date recorded in UNIT-e reflects the last date of physical attendance or engagement	Administration Project Manager, and Data Management Team Leader	30 June 2025	Complete
2024/06	2023/24 Student Activity Data	3	NA	R3 Ensure that Credits claimed for students are based upon the value of the units listed on the student course record, which reflect the activity delivered in the year, and not based upon a default tariff.	Administration Project Manager, and Data Management Team Leader	30 June 2025	Complete

Appendix A

Year	Audit Area Report Title	Priority Action Grade	Report Grade	Action	Responsible Officer	Deadline	Progress (as at 31 August 2025)
2024/07	2023/24 Student Support Funds	2	NA	R1 The College should ensure that final checks are performed on the accuracy of the FES data prior to submitting to SFC. As the FES data contains both Credits and support funds data, any changes made to Credits data should be reviewed to ensure that any impact on support funds data is accurate.	Administration Project Manager	30 June 2025	Complete

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 16 September 2025



**ANNUAL DATA PROTECTION COMPLIANCE
REPORT**

PAPER H

BOARD OF MANAGEMENT

Audit and Risk Committee

16 September 2025

Annual Data Protection Update



Paper for information

1. Data protection overview

The College takes measures to ensure appropriate oversight of the management and handling of the personal data under its control. These measures and key activities are summarised below.

2. Audit

The most recent audit of the College's data protection arrangements was conducted in 2022. The aims of the audit were to obtain reasonable assurance that the College had taken appropriate action to ensure compliance with data protection legislation. It focused on the controls in place to mitigate the following risks on the College's Strategic Risk Register:

- 3.8 – breach of data security / data protection (risk rating: low)
- 4.4 – ICT infrastructure fails to support effective data security / data protection (risk rating: low)

The overall level of assurance identified by the audit was "Good" in each of these areas. Data protection is listed for re-audit in the proposed 2025 – 2028 audit plan.

3. Data Protection Officer

In January 2025, the College engaged a new Data Protection Officer (DPO) via the HEFESTIS shared service. The College has a duty to appoint a DPO, and the role has specific responsibilities under the UK GDPR. The DPO is part-time and reports to the Director of Infrastructure and the Digital Services Manager. HEFESTIS provides cover in the DPO's absence.

4. Data Protection Framework

In 2025, the DPO adopted the data protection audit framework published by the UK data protection regulator, the Information Commissioner's Office. The framework provides a structure for assessing the College's compliance with data protection law and allows the DPO and senior colleagues to agree priorities and monitor actions.

5. Cybersecurity

The College already takes extensive measures to maintain and improve its cybersecurity position, and this is a critical component of our overall data protection compliance. The DPO is currently working with Digital Services colleagues on coordinating privacy and cybersecurity due diligence for new systems, with the aim of minimising 'shadow IT' and reducing risk and cost to the College. As time allows, we will also seek to increase adoption of the compliance and visibility tools available under the College's existing Microsoft licence.

6. Data Protection Policy

We recently reviewed and expanded this policy to include additional detail on responsibilities and our approach to complying with the UK GDPR. The fully revised version was approved in August 2025.

7. Notices, Procedures and other documentation updates

Maintaining appropriate documentation helps us evidence our approach to data protection and comply with the UK GDPR accountability principle. The College has a range of privacy-related documentation but there are some gaps and updates required. In 2025, the DPO has completed processes and guidance documents on personal data breaches, data subject rights and data protection impact assessments. As part of this ongoing work, we are also updating our Records of Processing Activities (RoPA) and reviewing and updating each of our privacy notices.

8. Training and awareness

Data protection and cybersecurity training is mandatory for all employees and our online modules on these topics were the College's themed training for the 2024/25 academic year. During that period, training completion was as follows:

- Data Protection – **99%** (692 employees from an active headcount of 701)
- Cybersecurity – **96%** (676 employees completed from an active headcount of 701)

In addition to the modules, we have recently updated our SharePoint data protection guidance for staff. While the generic training has been well adopted, we will aim to identify opportunities for targeted training and awareness raising in the coming year.

9. Personal data breaches

In the 2024/25 academic year, there were 10 minor personal data breaches reported to the DPO. None of these incidents were sufficiently serious to require reporting to the Information Commissioner. All were reviewed to identify ways to reduce risk of recurrence.

All incidents appear to have stemmed from human error. This reinforces the importance of training, not just in the particulars of data protection law but practical guidance on appropriate use of systems and handling of personal data at work.

10. Data subject rights

The College receives relatively few requests from people seeking to exercise their data protection rights. We did not specifically log detail of requests in 2024, but records indicate that we received only small numbers of erasure and access requests. In 2025 to date we have received three data access requests; all resolved within the statutory period. No other rights-related requests were received by the DPO.

11. Link to Strategic Risk Register

Information in this report is intended to provide Board members with reassurance that actions and activities are being progressed and addressed that support the mitigation of the following risk within the Strategic Risk Register.

- 3.8 Breach of data security / data protection
- 4.4 ICT infrastructure fails to support effective data security / data protection

Author: Ellen Paterson Data Protection Officer
Executive Sponsor: Steve Taylor, Vice Principal Support Services and Operations

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 16 September 2025



**FINANCIAL GOVERNANCE REFLECTION/
UPDATE**

PAPER I

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 16 September 2025



Update on D&A College Reflections and Self-Evaluation Following University Financial Issues

1. Background

In late 2024, a significant funding shortfall was identified at University of Dundee. A c. £30m deficit was identified and following this, the University has been forced into immediate emergency action to stabilise its finances. With the similarities in core business and funding methods / models between the two institutions, Dundee & Angus College Senior Leadership Team felt it prudent to undertake a reflection and self-evaluation of practices and issues arising from the detailed parliamentary scrutiny of the Dundee University finances and related governance.

This self-evaluation was designed to support the Senior Leadership Team and Board of Management of the College to understand and assess the processes and approaches in place around financial management and financial governance to identify potential areas of weakness, and to assess opportunities for learning and action.

The information within the initial paper was discussed with both the Finance and Infrastructure and the Audit and Risk Committees in May/June 2025. Since then the self-evaluation document has been updated to reflect changes in practice and the reflection has been supplemented by an assessment against the lessons learned checklist outlined within the [independent investigation report undertaken by Professor Pamela Gillies](#).

2. Approach Adopted

This document is split into self-evaluation themes, linked to the understanding of events that have underpinned the situation that has emerged at University of Dundee. Whilst this is a live and ongoing situation, it is being used as a case study to consider our own practice and approaches at D&A with a view to identifying actions and areas for development, as well as any strengths in approach which we would look to continue or adopt in any future activity as appropriate.

It is important to note that the reflections undertaken are approached solely from a College perspective and that any areas identified for review do not necessarily reflect the reality of the situation that has emerged at Dundee University. These are College reflections only.

Where there are other elements that would be useful to consider as a result of this work, (whether or not they occurred in exactly the way reported as part of the University of Dundee situation) they will be included in this ongoing exercise. This will include any further formal recommendations.

This evaluation and associated action plan will be regularly reviewed by the Senior Leadership Team and reported to the Finance and Infrastructure / Audit and Risk Committees.

3. Self-Evaluation

The key themes for evaluation broadly group external and internal factors involved in the emerging situation, each broken down into further components determined through the detailed parliamentary scrutiny undertaken of senior university staff.

These sub-categories have been reviewed utilising evaluative statements and drawing on the information and evidence available within Dundee and Angus College to assess practice against the issues raised and identify where there may be a need for further work to strengthen College arrangements.

Planned actions arising from the evaluation as identified in May 2025 (Appendix A) are noted **in purple** within the sections. Further developments and progress as at September 2025 are noted **in bold** and will continue to be updated as required.

Actions arising from the review of the lessons learned checklist are outlined in Appendix B.

These actions will continue to be built into the financial management and reform work currently being undertaken by the Director of Finance and progress reported through future Finance and Infrastructure Committee meetings.

4. Link to Strategic Risk Register

Information in this report is intended to provide Board members with reassurance that actions and activities are being progressed and addressed that support the mitigation of the following risk within the Strategic Risk Register.

- 1.3 Difficulties or over commitment arising within large scale/national College led initiatives or projects impact negatively on:
 - Ability of the College to meet key regional strategies/objectives
 - Financial loss or unmanageable financial risk
 - Reputational loss
- 2.2 Failure to achieve institutional sustainability
- 2.6 Demands of capital developments / maintenance impacts on financial sustainability or delivery of learning and/or services
- 3.7 Industrial Relations Problems (including industrial action)

Author: Nicky Anderson, Director of Finance and Steve Taylor, Vice Principal

Executive Sponsor: Steve Taylor, Vice Principal Support Services and Operations

Education, Children and Young People Committee 19 March 2025 - University Financial Issues - Learning/considerations for D&A

External Challenges for Dundee University:	Questions/comments/thoughts	Risks/questions/considerations for Dundee and Angus College?	D&A Reflection / Action
Cross subsidy with international tuition fees closing their funding gap	Did their financial strategy and budget include plans for closing a gap arising through lower than planned recruitment of fee paying students?	What are our international student fee levels? Any risks with specific countries? What are our cross-subsidy risk areas?	D&A Overseas fees are relatively small with minimal annual targets set. Student numbers are identified within activity reporting & assumed fee levels identified clearly within budget and monitored in monthly budget monitoring
Changes in immigration policy/visa regulations had negative impact on international student recruitment	Were they horizon scanning and bringing that learning into their governance reporting? Currency value issue was noted but not taken forward into clearer planning for drop in number of students from that country	What horizon scanning do we carry out? What horizon scanning should we carry out?	As above
Inflation			We are budgeting more clearly for known significant inflation areas and document our assumptions
National Insurance increase			Scenario planning and active monitoring on potential areas of costs increases are included as part of budget development. We are budgeting more clearly for known significant inflation areas and document our assumptions
Government, Cabinet and Minister / MSP understanding of how HE / education works, the role of governance / Boards and the funding models / constraints the sector/s work in	Committee questions showed a lack of operational knowledge regarding mechanisms, funding and processes	This would likely be the same situation for us – colleges are possibly even less well understood in comparison to universities	Continue to engage with key Government stakeholders through a range of opportunities to explain challenges; purposefully engage with stakeholders to discuss and explain impacts and needs. Continue to engage with Board Members individually and as a group to build understanding of College financial landscape.
Inadequate financial discipline and control	How do we ensure transparency? Significant improvements made, but		Budget planning and regular monitoring arrangements in place with identification and

External Challenges for Dundee University:	Questions/comments/thoughts	Risks/questions/considerations for Dundee and Angus College?	D&A Reflection / Action
	how do we keep appropriate level of scrutiny at SLT and Board levels?		discussion on reasons for variances and remedial action as required. Improvements in budget setting process and regularity / clarity of monitoring are being progressed.
Poor investment decisions, including digital decisions	Business cases? What was their mechanism for decisions and monitoring?	What are our mechanisms for investment/business cases/decision records?	Major investment decisions are considered at SLT and approval by Committee or Board above clear minimal thresholds. All infrastructure projects above defined thresholds are subject to post project evaluation. Infrastructure project management arrangements in place with clear escalation of issues / changes to full SLT. Board governance arrangements have been confirmed and enacted to support major infrastructure developments.
Weak compliance in financial control			Improvements in budget setting process and regularity / clarity of monitoring have been progressed, including monthly budget meetings between finance staff and key budget holders. Improvements in financial control and segregation of duties have been made as they were identified.
Lack of accountability	Role for SLT and Board?	Do SLT all understand the decisions made and rationale for those decisions? Do SLT all own the decisions? Do SLT communicate the decisions and rationale for decisions consistently? Do we have a culture of positive challenge?	Budget holders and support staff know their responsibilities around budget management. Cultural change to fully own it. Clear rationale for budgets & understanding of budget assumptions and judgements so that variances can be explained and understood.

External Challenges for Dundee University:	Questions/comments/thoughts	Risks/questions/considerations for Dundee and Angus College?	D&A Reflection / Action
			<p>Decision rationale and decision log for key SLT decisions is completed at each fortnightly in person SLT meeting.</p> <p>Monthly budget meetings between finance staff and key budget holders in place. Budget Holders are now responsible for projection of income/expenditure. Finance provide support, advice and challenge to ensure projections are as accurate as possible.</p> <p>Improvement in communications of Committee/Board decisions and rationale has been enacted within SLT meetings to ensure full SLT awareness.</p>
Inadequate oversight at Executive and Court levels of financial position, not least in ensuring strategic ambitions were underpinned by financial rigour.	Were Finance Committee and Audit Committee robust enough in their questions?	Do Committee and Board and SLT get the financial and operational information they want and need?	<p>Budget planning and monitoring arrangements in place with discussion on variances and remedial action as required.</p> <p>Budget monitoring presented for discussion on monthly basis at SLT and quarterly at each Finance and Infrastructure Committee and Board meeting.</p> <p>Further discussion / updating on the key financial info SLT want and need is in the finance improvement plan & on SLT agenda.</p> <p>Cipfa Finance for non-financial managers training has been scheduled for SLT. We will follow up this training to support translation to our own College finance landscape.</p>
Did not address longstanding challenge of structural deficit caused by an imbalance in the university being very research intensive & being cross subsidised by international student fees	What do their Financial Strategy and Action Plans say?	How do we ensure good decision making at all levels about our focus and core business?	<p>3-to-5-year budgeting and Financial Strategy are part of our budget setting process.</p> <p>D&A history of longer-term financial planning and sustainability.</p>

External Challenges for Dundee University:	Questions/comments/thoughts	Risks/questions/considerations for Dundee and Angus College?	D&A Reflection / Action
			A further update of the long-term financial strategy will be completed for December 2025.
Lack of discipline on following through on savings decisions	Monitoring and reporting on savings/efficiencies progress	How do we monitor efficiencies progress? SLT How long range should our planning be? Can we find a way to balance speed with planning if we needed to?	All savings plans have named SLT lead with feedback on process and outcomes to SLT, Board and wider College. Efficiencies progress and financial implications are clear and included in budget monitoring reporting.
Was not appropriate oversight or challenge at Executive and Court level – Executive and Court “can only make decisions on the basis of the information you are given” and “dealt with the info they had”. “We were asking questions and told it was fine, and we had a high degree of confidence we could balance the budget”.	Scrutiny and challenge – robust?	Do we have the culture where we can challenge, trust, respect and be assured of what we need? Would all the people that need to be able to do this feel comfortable and able to challenge and scrutinise?	Financial training for (SLT) non-financial managers has been scheduled. Training on other key SLT remits for non-specialists is to be further discussed.
Gaps in competence at leadership level	Whether the investigation reveals deliberate attempts to hide issues or not, the question still needs to be asked of any SLT / Exec / Board as this is effective leadership and governance		Financial training for (SLT) non-financial managers has been scheduled. Training on other key SLT remits for non-specialists is to be further discussed.
Top post graduate student numbers dropped by two thirds over 2 years – Had a serious impact on international student numbers	Were they monitoring year on year trends? Were they building this into governance, risk management and decision making?	Are there any other data sets we should analyse?	Key student application and recruitment data provided to and discussed at SLT alongside remedial steps being taken to deliver on targets.

External Challenges for Dundee University:	Questions/comments/thoughts	Risks/questions/considerations for Dundee and Angus College?	D&A Reflection / Action
	Were operational trends linked to financial reporting?		Information provided and highlighted to LT&Q Committee and Board. Activity issued highlighted as key risk area to A&R where required. All SLT members are aware of the need to be tuned into the wider impacts of changes in student (and other) activity. Links in year between operational and financial monitoring are noted.
Planned for 25% reduction in international student income but Dundee Uni actual closer to 50%	How was this monitored and reported? Timeline on taking action seems to be a real issue – is this down to playing down / fear of speaking out?		As above. We have documented our budget setting assumptions so that SLT understands them and review the reasons for in-year variances in budget monitoring reports
Budget predicated on a large amount of savings being delivered that were then not delivered. Member – “we were not kept in the loop as to whether they (savings) were going to be delivered”.	Savings/efficiencies operational performance linked to financial monitoring? We have a strong track record of following through on considered and consulted savings plans		Strict monitoring of savings/efficiencies assumptions in budget. All savings plans have named SLT lead with feedback on process and outcomes to SLT, Board and wider College.
July 23 cash balance £74m; July 24 cash balance reduced by £30m	Not watching cash balance / trends	A number of people must have been able to see this rapid change – why did no one raise it, or no one listen / pass concerns on?	Cashflow data and forecasts included in budget monitoring reports with discussion on variances and remedial action as required. Budget monitoring reports shared for discussion on monthly basis at SLT and each Finance and Infrastructure and Board meeting Further discussion / updating on the key financial info SLT want and need is in the finance improvement plan & on SLT agenda.

Governance/Scrutiny	Questions/comments/thoughts	Risks/questions/considerations for Dundee and Angus College?	D&A Reflection / Action
"False assumption we were breaking even when we were well-off break-even position"	Not watching outturn projections / looking at trend	Balance of knowledge and individual responsibilities – training across the org as needed so everyone understands their role	<p>Budget planning and monitoring arrangements in place with discussion on variances and remedial action as required. Budget monitoring shared for discussion on monthly basis at SLT and each Finance and Infrastructure and Board meeting.</p> <p>Committee and Board metrics show key areas of operational and financial activity in single report.</p> <p>Further discussion / updating on the key financial info SLT want and need is in finance improvement plan & on SLT agenda.</p> <p>Financial training for (SLT) non-financial managers has been scheduled.</p> <p>Training on other key SLT remits for non-specialists is to be further discussed.</p>
"We were concerned student numbers were dropping but robustly assured the path for growth was right" and "we accepted assurances we were still going to break even"	Levels of authority / trust in decision making – when to speak out - sounds as though challenges were rebuffed. What's the recourse when that happens?		As above
"We were shown numbers where savings <i>were going to come in</i> across the organisation"	Suggests budget included spend for which savings had not yet been realised?		<p>Strict monitoring of savings / efficiencies assumptions in budget.</p> <p>Details as above.</p>

Governance/Scrutiny	Questions/comments/thoughts	Risks/questions/considerations for Dundee and Angus College?	D&A Reflection / Action
It was public information in 2023 that Nigerian currency dropped by 70% - why were these questions not asked? “You are not employed just to listen to the Finance Director, you have wider experience” “We were always assured there were compensatory savings which were going to finance this.”	Suggests lack of horizon scanning - Though it was noted the finance committee did know the Nira value had plummeted but there was a false belief other actions (i.e. savings) would compensate – it was discussed but was the focus / discussion right?		Horizon scanning – built into & inform operational, financial and risk monitoring. Data and assumptions underpinning key operational and financial plans is clearly documented and regularly reviewed
VPs would regularly attend Court, and that practice stopped in October 2023 when court received input from a limited set of people – (Principal, Depute Principal, Dir of Finance and Dir of HR - VP International Students did not attend.	Committee questioned if deliberate attempt to minimise scrutiny Professor O'Neill noted he was the only one still left from this group, but the Director of HR was there throughout.	Need right people in the right meetings focusing on the right things – we speak about opening up SLT but rarely do in practice. Something to consider for themed discussions and other topics. Senior leaders did not know why the decision was made to lock down Court attendance to fewer people. - Are we sure we all understand decisions and the rationale for them and feel safe to constructively challenge. Governance - Do we all know/understand what decisions should be made by whom/where?	Board Committee structure includes key SLT members in all Committees. Attendance of other key staff at Board where there are reports to be considered. Board are aware of, and practice constructive challenge, with this reviewed externally every 3 – 5 years and subject to Board evaluation.

Risk Management	Questions/comments/thoughts	Risks/questions/considerations for Dundee and Angus College?	D&A Reflection / Action
<p>Dundee Uni Key Risks</p> <ol style="list-style-type: none"> 1. Cyber 2. Student experience 3. Staff experience 4. Research excellence 5. Financial sustainability <p>Committee commented surprise Student recruitment was not a top risk and challenged SFC review of this.</p> <p>Committee also commented that the top risk on Risk Register is Cyber Security, not insolvency, even though Uni is now saying they are at risk of insolvency if they do not get liquidity funding</p>	<p>Suggests lack of regular risk management</p> <p>Suggests risk management not linked to operational data</p>		<p>Strategic Risk Register is considered at each Committee meeting and in detail at each A&R Committee and 2 x annually by Board.</p> <p>Strategic Risk Register is built from College strategy and key operational requirements, with this informing regular audit plan scoping.</p> <p>Management accounts presented to Finance and Infrastructure Committee and Board include specific financial risk register to highlight key risks.</p> <p>Strategic Risks are reviewed by internal and external audit annually.</p> <p>Consider if we link risk management with operational and financial info well enough and regularly enough</p>
<p>The risk on international student numbers was “green until it went red”.</p>			<p>Student recruitment and activity data is shared with LT&Q and Board for transparency.</p> <p>Risk register update reports are shared biannually with the Board for transparency.</p> <p>Student numbers are identified within activity reporting & assumed fee levels identified clearly within budget setting and monitoring</p>

Communication and Engagement	Questions/comments/thoughts	Risks/questions/considerations for Dundee and Angus College?	D&A Reflection / Action
Recovery plan written with financial lens only – need to look more holistically & involve stakeholders	Notably different to how we approach things	Holistic communication, engagement and decision making	D&A Approach utilises key guiding principles to avoid 'finance lens only' approach. Guiding principles shared as part of savings exercises & discussed with unions.
Staff and union engagement – no co-design / co-production of recovery plan	It seemed that risk of sharing too much or being met with anger / resistance meant a smaller group made recovery plans etc., which may seem an easy short term solution but it probably even means the plan isn't as robust as it could be long term, and in a large organisation there is distrust, concern, reduction in good will and loyalty.	Staff are involved in design and production – College communication and engagement is high/positive	As above. Savings planning incorporates open consultation arrangements for all staff including anonymous options where preferred. Clear arrangements in place for union consultation and engagement. Staff and union membership of Committees and Board. Previous examples elicited significant engagement and ideas to enhance options/approaches.
Senior staff in institution feel that decisions are locked down and feel it is still that way.	LDF are saying they 'need SLT in every decision' – levels of autonomy and decision making has been a theme of this group's discussion	How do we support leaders to make appropriate decisions? Is too much or too little controlled by certain people? Broader autonomy can mean more mistakes / greater risk, but neither are we in the business of creating fall guys.	As above
Staff concerned there is a culture that they cannot raise issues	Will look at Whistleblowing policy and mechanisms for raising issues, trying for a culture of openness and transparency	Culture of safety? Being heard? Could we be in a position where people don't feel they can 'raise their heads above the parapet'?	As above
Senior Accountants knew there were issues – how were issues raised?	What is the mechanism for channelling issues or queries from subject matter experts to others?	Is expertise valued or is there is risk of 'junior' people in the organisation (despite being the 'expert') being treated different due to level, not expertise?	College operates an open door approach with open opportunities to raise concerns or provide feedback by any member of staff through the consultation inbox or anonymous hotline.

Communication and Engagement	Questions/comments/thoughts	Risks/questions/considerations for Dundee and Angus College?	D&A Reflection / Action
Committee asked, 'how many people' (headcount) affected by 632 FTE at risk number.	<p>This was answered really poorly in Committee.</p> <p>Despite the 632 number being specific, they could not articulate that as it is unknown which jobs / who is at risk, they cannot put a headcount on it. This was iterated in the follow up letter to Committee, however it is evident they have identified job roles as they mention 'not clear who will go from the redundancy pools'.</p> <p>This communication is being handled poorly internally, some teams believe they have a date on which they'll be told if they have a job, other teams don't have a date / haven't been told anything like that.</p>	The approach D&A has taken in proactive and early communication, briefing LMs and individuals prior to sharing numbers affected etc., and being up front about the areas being looked at, then following up with consultation is a far better approach.	This data is not usually available at the start of the consultation period as FTE and headcount will change depending upon final decisions and VS applications.

SFC	Questions/comments/thoughts	Risks/questions/considerations for Dundee and Angus College?	Action
SFC have monthly monitoring information now, rather than quarterly from Dundee Uni			Prepare for presenting monthly monitoring or other regular financial data to SFC if and when required
SFC now attend Court, Finance and Property Committee and Audit Committee			
SFC commissioning independent review of all Uni and College Governance Effectiveness Reviews to identify and red flags	SFC had better engagement with unions than uni staff, and provided better answers on TOR development than uni staff	Where might ours flag something? All SLT to have an awareness of content / discussions relating to this?	Recently published independent governance review (December 2024) highlights positive mix of support and challenge, including Board approach to questioning and transparency/accuracy of SLT responses.
SFC meet quarterly with institutions and have other ways to challenge when issues arise e.g. Observing Court & committee meetings, undertake investigations, ask for remedy and action plan if financial regs breached and can work with OSCR and Institution of Charities to bring their powers to bear. Will bring in bespoke way to address an institution's issues. SFC have powers of intervention and regulatory powers.			Might expect quarterly / regular finance meetings with SFC. Prepare for engagements on basis as determined by SFC.
SFC looking to do "Hot Reviews". Will commission independent teams to do in-year hot reviews.		What might our hot review results say?	Prepare for engagements on basis as determined by SFC.

Gillies Report Lessons Learned Checklist – Learning & Considerations for D&A

Gillies Report Lesson:	D&A Reflection	D&A Action
<p>1. The UEG, or equivalent, should actively consider and challenge the management accounts of the institution from a position of understanding of the totality of operations. There needs to be:</p> <ul style="list-style-type: none"> a. An integrated income & expenditure, cashflow and balance sheet. b. Transparent cash reporting and cash management i.e. budgeted and allocated cash, unallocated operational cash. c. Control and reporting of capital projects in a way that is not separate to or segregated from the whole university financial reporting; and d. Transparent treasury management (especially if RCFs or loan finance is being used or is available); 	<p>The Senior Leadership Team receives monthly budget monitoring reports and discusses these at in-person meetings in conjunction with strategic and operational management reports and priorities.</p> <p>Budget Monitoring Reports cover points a, b, c from the recommendation.</p> <p>As the College is not allowed to borrow and does not receive RCF income point d does not apply.</p>	<p>SLT development scheduled to improve financial awareness for non-financial members.</p>
<p>2. Active and critical appraisal and challenge of the Risk Register;</p>	<p>Detailed Strategic Risk Register is in place and discussed at every Audit & Risk Committee meeting and twice a year with the full Board. Quarterly Budget Monitoring Report for the Board includes a detailed financial risk register.</p>	<p>Continue current practice / approaches</p>
<p>3. Where there are obvious sensitivities (high risk rating) on student recruitment or financial sustainability, there should be regular updates to the Finance Committee (or equivalent) as a check and balance on budgets and forecasts;</p>	<p>This is in place, with any risk that is rated red or above subject to specific monitoring and reporting through the relevant Board Committee (such as Finance & Infrastructure) and the Audit & Risk Committee</p>	<p>Continue current practice / approaches</p>
<p>4. Where there are loan or RCF covenants, depending on headroom these should be reported to UEG on a monthly or quarterly basis (in real time and based on the prior month's management accounts);</p>	<p>Not applicable in College context</p>	<p>NA</p>

Gillies Report Lesson:	D&A Reflection	D&A Action
5. There needs to be a culture (in practice) of the validity and value of questioning at all levels in a way that is without fear;	This is in place, with clear open and transparent opportunities available to raise issues or ask questions. This includes opportunity to do so for all staff on an anonymous basis.	Continue current practice / approaches
6. The Chair of UEG (ordinarily the Principal) should be receptive to challenge;	This is in place, with clear open and transparent opportunities available to raise issues or ask questions. This includes opportunity to do so on an anonymous basis by staff. SLT are aware of (and practice) challenge to the Principal and each other.	Continue current practice / approaches
7. Curiosity should be encouraged (and whether at UEG, ARC, Finance Committee or Court) –one person's 'innocent question' ("I don't really understand but...") is often a catalyst for another person and the engagement leads to a far richer understanding and potentially uncovering of risks and issues that are worthy of debate;	This message is an integral part of Board induction, development and support. Board contributions are discussed through annual Board Member appraisals and Board feedback questionnaires.	Continue current practice / approaches
8. There should be clear and unambiguous early communication to Court and its committees regarding matters of importance to the whole university;	Arrangements are in place for regular communication of key issues, including sharing of strategic risk information. Regular communication between Board and Committee chairs and the SLT are supported. Updates on significant developments are provided to all Board members as these arise.	Continue current practice / approaches
9. Minutes should reflect challenges and not bias. They should also make clear how decisions were arrived at;	Detailed minutes are produced and published for all meetings	Continue current practice / approaches
10. Both the UEG and all members of Court should live the nine principles of public life;	This message is an integral part of Board induction, development and support. Board contributions are discussed through annual Board Member appraisals and Board feedback questionnaires.	Continue current practice / approaches
11. The ARC should be able to stand back on any matter and review or enquire. The ARC should be the conscience of the University –the ultimate back stop for any matter.	This is reflected in the remit and operations of the Audit & Risk Committee	Continue current practice / approaches

Gillies Report Lesson:	D&A Reflection	D&A Action
<p>12. The University of Dundee had a practice of the Chair of FPC 'in attendance at ARC' and the Chair of ARC 'in attendance at FPC'. This overlap can appear functional in theory but from a best practice perspective often falls over in practice. The respective Chairs can readily get sucked into the detail and, in particular, the Chair of ARC returns to ARC with a pre-set and (likely) biased view. ARC should retain an element of independence in the overall governance and certainly absolute objectivity –this is readily lost. Best practice would be for no overlap –there will be members of the Executive that do attend both and the different lenses are helpful;</p>	<p>This is not practice at D&A and would not be supported.</p> <p>Whilst it is challenging to maintain at all times, Board standing orders discourage and sharing of membership between the Audit & Risk and Finance & Infrastructure Committees.</p>	<p>Continue current practice / approaches</p>
<p>13. In extremis, and it is seen (UK wide), institutions have a habit of forming a 'Committee of Chairs of Committees' or similar. In doing so, the Chair of ARC automatically loses their objectivity. The 'conscience of the University' is lost and objectivity over new and emerging risks can readily be overridden by a bias from prior (and detailed) consideration in a different context to ARC's considerations;</p>	<p>This has been practice at D&A in the past and point is noted.</p>	<p>Chair of Audit & Risk Committee will not be involved in any future Board group established to respond to 'emergency' or 'in extremis' issues.</p>
<p>14. Papers must (not should) be provided in advance of meetings (and regardless of UEG, Court or its committees). Papers should be provided to give members time to read and consider in advance;</p>	<p>All papers are provided a week in advance of meetings.</p>	<p>Continue current practice / approaches</p>
<p>15. Papers should never be provided retrospectively, this is poor practice, regardless of the considered confidentiality of content good governance cannot happen in a vacuum and the Executive need to work within the Board and Committee structure of the University</p>	<p>All papers are provided a week in advance of meetings. Where situations arise for rapid approval (such as a change in submission date by an external body) clear delegated approval arrangements are enacted and information shared by e-mail with other members.</p>	<p>Continue current practice / approaches</p>

Gillies Report Lesson:	D&A Reflection	D&A Action
16. There are few instances in Scotland where the University Secretary (or equivalent) is the Chief Operating Officer of the institution, but this dual role can create conflicts of interest that are difficult to resolve in real time. While there will be a direct reporting line to the Chair of Court / Governing Body, there will also be a reporting line to the Principal. These two lines often work 'until they do not'. Care should be taken to ensure the primary responsibility is always to the Chair of Court;	This has been longstanding practice at D&A (and other colleges) but is currently under review.	Complete current review and enact Board decision.
17. The FM could usefully be updated for 'responsibilities of the Principal' and in particular in the role as 'Accountable Officer' and the responsibilities of Chair of Court;	Item for Scottish Government / Scottish Funding Council re SPFM	Enact change as necessary once known.
18. A values-led University culture, which privileges transparency and accountability, is likely to actively support evidence-based collaborative decision making, integrity and openness to challenge and debate.	This is in place, with clear open and transparent opportunities available to raise issues or ask questions. This includes opportunity to do so on an anonymous basis. Biennial staff surveys incorporate assessment and feedback on College values.	Continue current practice / approaches

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 16 September 2025



STRATEGIC RISK REGISTER

PAPER J

- (i) RISK REGISTER UPDATE**
- (ii) STRATEGIC RISK REGISTER**

BOARD OF MANAGEMENT

Audit and Risk Committee

Tuesday 16 September 2025



Strategic Risk Register Update

Paper for approval

1. Strategic Risk Register

A copy of the September 2025 draft Strategic Risk Register is enclosed. This is noted for approval.

2. Tertiary Sector Financial Governance

As members of the Audit and Risk Committee will be aware, a significant funding shortfall was identified at the University of Dundee in late 2024. A c. £30m deficit was identified and following this, the University has been forced into immediate emergency action to stabilise its finances.

Given the severity of the situation that arose an independent investigation into the circumstances and governance surrounding the situation has been ordered. It is expected that the Scottish Government and Scottish Funding Council will use the outcomes of this investigation to strengthen financial governance within the sector and is likely to seek additional information and assurances from tertiary sector institutions in respect of financial governance.

With the similarities in core business and funding methods / models between the two institutions, Dundee & Angus College Senior Leadership Team felt it prudent to undertake a reflection and self-evaluation of practices and issues arising from the detailed parliamentary scrutiny of the Dundee University finances and related governance.

This self-evaluation is being used to support Senior Leadership Team and Board of Management reflection on D&A approaches and will be updated as information and arrangements develop.

A further update on this evaluation and completion of the lessons learned checklist from the Gillies report are included as item 8 on the main agenda and will be shared with the Board of Management at the 30 September meeting.

Further details on any changes in financial governance arising from the current SFC work will be confirmed once known.

3. Financial Sustainability Risk

College Risk Management practice requires that any strategic risks that remain as Major or Fundamental post mitigation will be reported to the Committee at each meeting.

Following the decision of the Board of Management in March 2022 to recommend increasing the post mitigation risk in respect of future financial sustainability, the post mitigation likelihood was increased from 3 to 4 and the overall risk rating increased to 16. This moved this risk into the Major Risk (**Red**) category, and it is unlikely that this risk will be reduced in the near future.

The need to address the impact of cuts in sector funding, and the need to support areas of future opportunity and development, have been the subject of on-going discussion and review with the Board and has underpinned a range of savings plans and measures, including the summer 2025 current proposals within specific College services.

The most recent 2024/25 out-turn forecast is for a small and manageable deficit (c£230k) for the current year.

The draft budget for 2025/26 has proven challenging and is currently forecasting a more significant deficit position with the requirement for further significant savings to be achieved to ensure financial sustainability. Details around these plans and approaches will be discussed at the full Board meeting on 30 September 2025.

The activities developed to address the funding cuts and financial sustainability risk cut across a range of areas, and arrangements are in place to support arrangements and minimise adverse risk in areas such as HR practice and industrial relations (Risks 3.3 and 3.7) and PR / publicity (Risk 3.5). These will remain under review, with the overall risk rolled into the higher level Financial Sustainability risk measure.

4. Reinforced Autoclaved Aerated Concrete (RAAC) Risk

An update on the most up to date picture regarding the RAAC present within the Kingsway Campus was shared with the Board in December 2024, with the RAAC present within the Kingsway tower and Construction/Engineering facilities continuing to represent a significant concern. All required mitigations remain in place relative to the specialist structural engineering advice received and outline plans are in place should any subsequent change in advice limit the use of accommodation.

The next specialist survey is due to be completed in October 2025.

Updates have also been shared with the Board on the future infrastructure vision for the whole College estate, including future developments to remove RAAC from our estate. As this work progresses more detailed updates will be provided via the Finance and Infrastructure Committee and full Board.

5. 2024/25 Credit Activity

Following on from updates in respect of the reduction in full-time student recruitment in 2021/22 and in 2022/23 and the decision by the Scottish Funding Council to reduce sector credit targets by 10% from AY 2023/24 onwards, the need to highlight Credit activity in risk terms declined significantly.

Over 2024/25 however, an area of additional risk in respect of credit and related activity emerged.

As a consequence of the collapse of Fishers bus company in spring 2025, both Angus and Dundee local authorities faced difficulties with school transport. These difficulties resulted in the cancellation of a range of school-College taster and senior phase delivery scheduled for May/June 2025. The loss of this activity has adversely impacted on overall credit activity levels, with these forecast to be c98,000 against a target of 98,370. This shortfall is within the 2% threshold provided by the Scottish Funding Council with no risk of financial clawback.

6. Standards Commission Advice Note for College Board Members

The Standards Commission has issued an updated advice note for members of College Boards. This advice note covers guidance on behavioural expectations and issues surrounding potential conflicts of interest or areas of connection, particularly given the introduction of Trade Union nominated Board members in 2024.

A copy of the advice note has been circulated to all Board members.

7. Strategic Risk Register

No changes have been proposed to the Strategic Risk register at this time.

8. Approvals

In respect of the above information approval for the following actions is sought.

- Consider and approve or otherwise the proposed changes to Risk matrix scoring to reflect Risk Appetite.
- Note the updates provided and approval of the Strategic Risk Register

Author and Executive Sponsor: Steve Taylor, Vice Principal Support Services and Operations



STRATEGIC RISK REGISTER

2025 - 2026

As at September 2025

Post Holders	ELT	Executive Leadership Team	Prin	Principal	Score	Impact	Likelihood
	SLT	Senior Leadership Team	DirC&A	Directors of Curriculum & Attainment	1	Routine	Remote
	Board	Board of Management	DirSE	Director of Student Experience	2	Minor	Unlikely
	VPSO	Vice Principal Support & Operations	DirFin	Director of Finance	3	Significant	Possible
	VPCP	Vice Principal Curriculum & Partnerships	HoE	Head of Estates	4	Major	Probable
	DirInf	Director of Infrastructure	Chair	Chair of the Board of Management	5	Critical	Very Likely

Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT		POST MITIGATION EVALUATION				
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
1	Strategic and Structural									
1.1 LT&Q	Failure of College strategy to meet the needs of the D&A Region and/or national priorities (eg Employability, DYW, attainment, articulation)	4	4	16	<ul style="list-style-type: none"> Robust strategic planning Effective environmental scanning Strong partnerships Clear links between strategy and practice Concerted demands for increased activity levels 	4	1	4 ↔	<ul style="list-style-type: none"> Robust monitoring via OF&AM Framework Clear performance metrics Amendment of strategic direction/ plans Rolling curriculum review 	Principal & Chair
1.2 Board	College may be disadvantaged by changes to either UK or Scottish Government policies	4	3	12	<ul style="list-style-type: none"> Effective environmental scanning Negotiation/influence at national level 	4	2	8 ↔	<ul style="list-style-type: none"> Review of changes and amendment of strategic direction/plans Financial strategy sensitivities 	Principal & Chair
1.3 Board	Difficulties or over commitment arising within large scale/national College led initiatives or projects impact negatively on: <ul style="list-style-type: none"> Ability of the College to meet key regional strategies/objectives Financial loss or unmanageable financial risk Reputational loss 	4	3	12	<ul style="list-style-type: none"> Effective project/activity management in place Clear governance structures Project/initiative finances clearly incorporated within College financial strategy and plans End of project and exit/contingency planning 	3	2	6 ↔	<ul style="list-style-type: none"> Regular project updates at Executive/Board level Monitoring of project activities, plans and outcomes Clear project Management arrangements in place Budget reporting and management 	Principal, VPCP

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	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
1	Strategic and Structural (cont)									
1.4 Board	College disadvantaged as a result of changes arising from major national educational body reviews: SFC, SQA, EdS	3	3	9	<ul style="list-style-type: none"> Negotiation/influence at national level Review of activities/projects and response to new opportunities 	3	1	3 ↔	<ul style="list-style-type: none"> Robust monitoring via OA Amendment of strategic direction/plans Rolling curriculum review 	Principal
1.5 Board	Failure of D&A plans and activities to deliver on required carbon reductions and sustainability actions necessary to meet national targets and achieve College climate emergency ambitions.	4	3	12	<ul style="list-style-type: none"> Robust CEAP in place Multiple strands of activity/action Embedding sustainable practices in normal activity and ways of working Clear links between strategy and practice Planned investment in carbon reduction Sustainable procurement 	3	2	6 ↔	<ul style="list-style-type: none"> Robust monitoring and reporting of CEAP at SLT and Board level Clear performance metrics Amendment of strategic direction/plans Monitoring of scope 3 emissions 	VPSO, DirInf, HoE

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	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Responsibility
2	Financial									
2.1 F&P	Change in Funding Body and/or Funding Methodology and Allocation – Reduction or restriction in Funding	3	4	12	<ul style="list-style-type: none"> Negotiation/influence at national level Contingency plans for amended funding levels or requirements 	3	2	8 ↔	<ul style="list-style-type: none"> Advance modelling of new funding requirements, methodologies, and allocations Monitoring impact of changes Amendment of strategic or operational direction / plans Financial strategy sensitivities 	VPSO
2.2 F&P	Failure to achieve institutional sustainability	5	4	20	<ul style="list-style-type: none"> Protection of funding through dialogue with SFC and SG Input to create sector 'flexibilities' Robust annual budget-setting and multi-year financial strategic planning Effective budgetary control Where required, swift action to implement savings 	4	4	16 ↔	<ul style="list-style-type: none"> Monthly monitoring of budgets Regular review of financial strategy and non-core income sensitivity Effective use of sector 'flexibilities' to support sustainability Amendment of strategic priorities and timing to align with funding levels Review and amendment of activity and budget planning to address over/under performance against activity (credit) target Detailed monitoring of savings programmes Detailed monitoring & management of CDEL/RDEL risks 	VPSO

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	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
2	Financial (cont)									

2.3 F&P	National outcomes on salaries and conditions of service outstrip ability to pay	4	4	16	<ul style="list-style-type: none"> Influence within Employers Association Management of staffing expenditures 	4	3	12 ↔	<ul style="list-style-type: none"> Expenditure modelling On-going discussions with staff Financial strategy sensitivities Workforce planning 	VPSO
2.4 A&R	Financial Fraud	3	3	9	<ul style="list-style-type: none"> Strong financial controls: segregation of duties and review of transactions. Review of impact of any changes in structure or duties Whistleblowing arrangements 	2	2	4 ↔	<ul style="list-style-type: none"> Continuous review of financial controls Internal Audit programme 	VPSO
2.5 F&P	D&A Foundation refuses/withholds funding for key College priorities	5	3	15	<ul style="list-style-type: none"> On-going dialogue with Foundation Trustees Appropriate bid arrangements in place 	3	2	6 ↔	<ul style="list-style-type: none"> Monitor and advise Board of Management 	Prin & VPSO
2.6 F&P	Demands of capital developments / maintenance impacts on financial sustainability or delivery of learning and/or services	4	4	16	<ul style="list-style-type: none"> Multi-year estates strategy and capital planning Lobbying of SFC on capital and backlog maintenance funding Planning for D&A Foundation bids 	4	3	12 ↔	<ul style="list-style-type: none"> Monitoring of capital plans and expenditures Regular review of capital plans/timescales relative to funds 	VPSO

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	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
3	People and Performance									

3.1 LT&Q	Failure to reach aspirational standards in learning, teaching, and service delivery	4	3	12	<ul style="list-style-type: none"> Clear quality arrangements and priority actions Continuous self-evaluation and action planning Rigorous CPD arrangements in place Regular classroom observation and learner feedback arrangements 	2	2	4 ↔	<ul style="list-style-type: none"> Comprehensive monitoring of key PIs and student/staff feedback Regular Stop and Review events External review and validation findings 	VPCP, VPSO, DirC&A
3.2 LT&Q	Failure to achieve/maintain compliance arrangements, e.g. contracts; awarding bodies; audit.	4	3	12	<ul style="list-style-type: none"> Robust strategic planning and monitoring Effective environmental scanning Strong partnerships Clear links between strategy and practice Concerted demands for increased activity levels 	2	2	4 ↔	<ul style="list-style-type: none"> Effective internal monitoring/review/verification arrangements External review findings 	VPCP, VPSO
3.3 A&R	Legal actions; serious accident; incident or civil/criminal breach	4	4	16	<ul style="list-style-type: none"> Adherence to legislative and good practice requirements Positive Union relations and staff communication Effective management development programmes 	3	2	6 ↔	<ul style="list-style-type: none"> Monitoring and reporting in key areas – eg H&S, equalities, employee engagement Continuous professional development Internal audit programme Staff surveys 	Prin, VPSO, HoE

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	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
3	People and Performance (cont.)									
3.4 HR&D	Failure to meet the aspirational standards in respect of the health, safety, wellbeing and development of staff and students	4	4	16 12	<ul style="list-style-type: none"> Clear and proactive approaches to managing and promoting health, safety, and wellbeing Continuous self-evaluation and action planning Rigorous CPD arrangements in place Regular staff and learner feedback arrangements 	3	2	6 ↔	<ul style="list-style-type: none"> Regular employee engagement monitoring Open communication with staff Comprehensive monitoring of key PIs and student/staff feedback Regular union/management dialogue 	VPSO
3.5 Board	Reputational Risk – Loss of reputation with key stakeholders	4	2	8	<ul style="list-style-type: none"> Marketing strategy Reputation plan Positive marketing approaches 	3	2	6 ↔	<ul style="list-style-type: none"> Stakeholder engagement Social media monitoring arrangements 	VPCP, DirC&A
3.6 HR&D	National bargaining outcomes impact adversely on College operations, activity, and flexibility	4	4	16	<ul style="list-style-type: none"> Influence within Employers Association Management of bargaining outcomes and implementation 	4	3	12 ↔	<ul style="list-style-type: none"> Positive union relations and staff communication On-going discussions with staff Innovation in approaches 	VPSO, VPC&A

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	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
3	People and Performance (cont.)									
3.7 HR&D	Industrial Relations Problems (including industrial action)	4	5	20	<ul style="list-style-type: none"> Adherence to legislative and good practice requirements Positive Union relations and staff communication Effective management development programmes Industrial action continuity planning 	4	2	8	<ul style="list-style-type: none"> Regular union/management dialogue Regular employee engagement monitoring Open communication with staff Industrial action continuity planning 	VPSO
3.8 A&R	Significant Breach of data security / data protection	5	4	20	<ul style="list-style-type: none"> Effective management of GDPR compliance Mandatory staff CPD and awareness raising on data protection (relative to role) 	4	2	8	<ul style="list-style-type: none"> Active data protection monitoring and auditing Effective information and data security policies in operation Regular data security monitoring/testing GDPR Action Plan Staff CPD 	VPCP, DirInf
3.9 HR&D	Failure to meet Prevent and related obligations	5	3	15	<ul style="list-style-type: none"> Prevent training Staff awareness and contingency planning Engagement/practice sharing with local agencies 	5	1	5	<ul style="list-style-type: none"> Business Continuity Plan including scenario testing Information sharing with local agencies 	VPCP, VPSO

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3	People and Performance (cont.)									
3.10 HR&D	College arrangements do not minimise risk associated with Modern Slavery	4	2	8	<ul style="list-style-type: none"> Clear and compliant procurement arrangements and procedures Staff identity checking arrangements and use of PVG. 	3	1	3 ↔	<ul style="list-style-type: none"> Annual procurement monitoring/reporting Regular employee engagement monitoring Open communication with staff 	VPCP, VPSO
3.11 Board	Failure to plan or respond adequately to future pandemic illness.	5	3	15	<ul style="list-style-type: none"> Monitoring and rapid response to WHO and UK/Scottish Government information and alerts Maintenance of COVID-19 good practice approaches to inform future use Effective business continuity planning in place 	4	2	8 ↔	<ul style="list-style-type: none"> Pandemic readiness / response included in business continuity plan reviews and testing COVID/Pandemic Response Group in place Active monitoring and rapid adoption of pandemic guidance / control measures 	Principal

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Blue (1-3) = Minor Risk; Green (4 – 8) = Moderate Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk. Board Risk Appetite for the above risks is assessed as Open with risks scored as major being subject to regular scrutiny and risks scored as fundamental subject to review at every meeting.

Post Holders	ELT	Executive Leadership Team	Prin	Principal	Score	Impact	Likelihood
	SLT	Senior Leadership Team	DirC&A	Directors of Curriculum & Attainment	1	Routine	Remote
	Board	Board of Management	DirSE	Director of Student Experience	2	Minor	Unlikely
	VPSO	Vice Principal Support & Operations	DirFin	Director of Finance	3	Significant	Possible
	VPCP	Vice Principal Curriculum & Partnerships	HoE	Head of Estates	4	Major	Probable
	DirInf	Director of Infrastructure	Chair	Chair of the Board of Management	5	Critical	Very Likely

Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT		POST MITIGATION EVALUATION				
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
3	People and Performance (cont.)									
3.12 HR&D	Failure to attract, engage, retain or develop appropriately qualified staff.	4	3	12	<ul style="list-style-type: none"> Clear People Strategy and Workforce Planning in place Positive Union relations and staff communication Effective management development & CPD programmes Positive recruitment approaches and monitoring 	4	1	4 ↔	<ul style="list-style-type: none"> Absence & turnover monitoring Exit interviews Regular staff surveys 7 survey responding Monitoring and responding to staff concerns, union issues and employee relations concerns 	VPSO

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Blue (1-3) = Minor Risk; Green (4 – 8) = Moderate Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk. Board Risk Appetite for the above risks is assessed as Open with risks scored as major being subject to regular scrutiny and risks scored as fundamental subject to review at every meeting.

Post Holders	ELT	Executive Leadership Team	Prin	Principal	Score	Impact	Likelihood
	SLT	Senior Leadership Team	DirC&A	Directors of Curriculum & Attainment	1	Routine	Remote
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	VPCP	Vice Principal Curriculum & Partnerships	HoE	Head of Estates	4	Major	Probable
	DirInf	Director of Infrastructure	Chair	Chair of the Board of Management	5	Critical	Very Likely

Risk Number & Committee		POTENTIAL CONTRIBUTING FACTORS			TREATMENT	POST MITIGATION EVALUATION					
		Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Responsibility
4 Infrastructure											
4.1 A&R	Major Disasters – eg Fire, MIS Failure, Failure of Emergency Procedures, RAAC or similar infrastructure failure	5	3	15	<ul style="list-style-type: none">• Sound systems of administration• Clear fire and disaster recovery arrangements• Staff CPD	5	1	5 ↔	<ul style="list-style-type: none">• Business Continuity Plan including scenario testing	Principal, VPSO, DirInf	
4.2 F&P	Failure to achieve ambitions of Digital strategy; strategy and development is ineffective	4	3	12	<ul style="list-style-type: none">• Planning, careful phasing of changes to processes and systems• Effective management of ICT arrangements• Clear investment plan	3	2	6 ↔	<ul style="list-style-type: none">• Regular review/reporting on milestones, systems effectiveness etc• Regular CPD	VPSO, DirInf	
4.3 A&R	Significant breach of ICT/Cyber security resulting in loss of service sufficient to impact College student / staff outcomes	4	3	12	<ul style="list-style-type: none">• Effective management of ICT arrangements• Active ICT/data security monitoring and cyber security policy	4	2	8 ↔	<ul style="list-style-type: none">• Staff CPD on cyber security issues• Regular security monitoring/testing• Cyber resilience plan	VPSO, DirInf	
4.4 A&R	ICT infrastructure fails to support effective data security / data protection	5	3	15	<ul style="list-style-type: none">• Effective infrastructure and systems design and implementation• Effective management of ICT arrangements and GDPR compliance	4	2	8 ↔	<ul style="list-style-type: none">• Active data protection monitoring and auditing• Effective information and data security policies in operation• Regular data security monitoring/testing	VPSO, DirInf	

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Blue (1-3) = Minor Risk; Green (4 – 8) = Moderate Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk. Board Risk Appetite for the above risks is assessed as Open with risks scored as major being subject to regular scrutiny and risks scored as fundamental subject to review at every meeting.

Post Holders	ELT	Executive Leadership Team	Prin	Principal	Score	Impact	Likelihood
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	VPCP	Vice Principal Curriculum & Partnerships	HoE	Head of Estates	4	Major	Probable
	DirInf	Director of Infrastructure	Chair	Chair of the Board of Management	5	Critical	Very Likely

Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT		POST MITIGATION EVALUATION				
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Responsibility
4	Infrastructure									
4.5 F&P	Lack of investment in ageing / beyond serviceable life infrastructure (inc RAAC, Asbestos and M&E failure concerns) impacts on financial sustainability and/or delivery of learning and/or services	4	5	20	<ul style="list-style-type: none"> Creation of long-term infrastructure principles and vision Multi-year estates strategy and capital planning Lobbying of SG and SFC on capital and backlog maintenance funding Identification of alternative funding routes Planning for D&A Foundation bids 	4	4	16 ↔	<ul style="list-style-type: none"> Lobbying of SG and SFC on campus vision and needs Prioritization of capital plans and expenditures Regular review of capital plans/timescales relative to funds 	Principal VPSO

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Blue (1-3) = Minor Risk; Green (4 – 8) = Moderate Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk. Board Risk Appetite for the above risks is assessed as Open with risks scored as major being subject to regular scrutiny and risks scored as fundamental subject to review at every meeting.

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 16 September 2025



EXTERNAL AUDIT

10 (i) AUDIT ASSURANCE RESPONSE

PAPER K

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 16 September 2025

Annual Accounts Audit Assurance Response

Paper for approval

1. Introduction

As part of the standard arrangements in place from our external audit providers, Mazars have requested that the Audit and Risk Committee provide a range of information and assurances in respect of Committee and College in respect of a range of possible areas of risk around statutory and regulatory compliance; known or anticipated litigation or claims; and assurance in respect of the College as a going concern.

These requirements have been discussed at Audit & Risk Committee meetings over the past two years where it has been agreed that approval of the final document would be delegated to the Chair of the Audit and Risk Committee.

2. D&A Comments and Responses

To support these arrangements an initial draft of the assurance return is enclosed for review. As the 2024/25 request has not yet been received from Mazars, the enclosed draft is based on the information requested for 2023/24. This will require further updating to reflect any changes made within the 2024/25 request.

3. Approvals

Members of the Audit & Risk Committee are asked to:

- Review and comment on the draft content of the enclosed document; and
- Delegate final approval of the completed document to the Chair of the Audit & Risk Committee.

4. Link to Strategic Risk Register

Information in this report is intended to provide Board members with reassurance that actions and activities are being progressed and addressed that support the mitigation of a range of risks identified within the Strategic Risk Register namely:

2.4 – Financial fraud

3.2 – Failure to achieve/maintain compliance arrangements, e.g. contracts, awarding bodies, audit.

Authors: Steven Taylor, Vice Principal, Nicky Anderson, Director of Finance
Executive Sponsor: Steven Taylor, Vice Principal

BOARD OF MANAGEMENT

Audit & Risk Committee, Tuesday 16 September 2025

Annual Accounts Audit Assurance Response (Draft to be Updated)



International Standard for Auditing 240 - The auditor's responsibility to consider fraud in an audit of financial statements

	Audit Assurance Sought	Audit & Risk Committee Response
1.	<p>How does the Committee, in its role as those charged with governance, exercise oversight of management's processes in relation to:</p> <ul style="list-style-type: none">• undertaking an assessment of the risk that the financial statements may be materially misstated due to fraud or error (including the nature, extent, and frequency of these assessments).• identifying and responding to risks of fraud in the organisation, including any specific risks of fraud which management have identified or that have been brought to its attention, or classes of transactions, account balances, or disclosure for which a risk of fraud is likely to exist.• communicating to employees of views on business practice and ethical behaviour (for example by updating, communicating and monitoring against the organisation's code of conduct); and• communicating to those charged with governance the processes for identifying and responding to fraud or error?	<p>An extensive and well-planned internal audit plan is in place alongside regular contact with internal and external auditors. A comprehensive fraud policy is also in place, with instances of fraud reported to the committee alongside action plans and progress and close out against actions. All Board members receive quarterly management accounts.</p> <p>Fraud management arrangements include training for all staff and targeted training in instances where fraud has arisen, or risks identified.</p> <p>The College is an active participant in the National Fraud Initiative and regular reports on the outcome of this work are reported to the Audit and Risk Committee.</p> <p>The College operates detailed financial procedures that are subject to internal and external audit review and periodic review via the Finance & Infrastructure Committee.</p> <p>Information around employee communication, staff surveys and employee and industrial relations are discussed through the People, Culture and Wellbeing Committee.</p> <p>The Board incorporates staff, student and trade union nominated membership to support openness and transparency.</p>

	Audit Assurance Sought	Audit & Risk Committee Response
2.	How does the Committee oversee management processes to identify and respond to the risk of fraud and possible breaches of internal control? Is the Committee aware of any breaches of internal control during 2024/25? Please provide details.	As above. No breaches of internal control were reported in 2024/25.
3.	Has the Committee knowledge of any actual, suspected or alleged fraud during the period 1 August 2024 to 31 July 2025? Where appropriate please provide details.	As above. No instances of fraud have occurred.
4.	<p>Has the Committee any suspicion that fraud may be occurring within the organisation? Please provide details.</p> <ul style="list-style-type: none"> Has the Committee identified any specific fraud risks within the organisation? Please provide details. Does the Committee have any concerns that there are areas within the organisation that are at risk of fraud? Please provide details. Are there particular locations within the organisation where fraud is more likely to occur? Please provide details. 	<p>Whilst risk is always possible and must be managed, the Committee does not have any specific concerns in respect of fraud.</p> <p>Internal audit planning is undertaken on a rolling 3 yearly basis with the focus for audit guided by an assessment of risk and the outcomes of internal and external audit and other assessment activities during the intervening period.</p> <p>Where concerns are identified specific reports on college practice / compliance may be sought or audit arrangements expanded or expedited to provide assurance.</p> <p>Activities that are potentially higher risk (such as payroll and cash handling) are subject to more regular review.</p> <p>Where appropriate the College looks at 'lessons learned' outcomes from other Scottish public sector organisations and assesses D&A practice relative to any lessons or action points arising from these.</p>

	Audit Assurance Sought	Audit & Risk Committee Response
5.	<p>Is the Committee satisfied that internal controls, including segregation of duties, exist and work effectively? Please provide details.</p> <ul style="list-style-type: none"> • If not, where are the risk areas? • What other controls are in place to help prevent, deter or detect fraud? 	<p>The Committee is assured in respect of internal control, segregation, and appropriate management of fraud minimisation.</p>
6.	<p>Is the Committee satisfied that staff are encouraged to report their concerns about fraud, and the types of concerns they are expected to report? Please provide details.</p>	<p>A comprehensive fraud policy is in place, with instances of fraud reported to the Committee alongside action plans and progress and close out against actions.</p> <p>Fraud management arrangements include training for all staff and targeted training in instances where fraud has arisen, or risks identified.</p> <p>Training includes encouragement to report fraud and proactive use of the fraud triangle (Motive, Rationalisation & Opportunity) to understand how fraud risks can arise and how they can be minimised by effective management approaches.</p>
7.	<p>From a fraud and corruption perspective, what are considered by the Committee to be high risk posts within the organisation? Please provide details.</p> <ul style="list-style-type: none"> • How are the risks relating to these posts identified, assessed and managed? 	<p>Activities that are potentially high risk are those covering larger volumes of small value transactions, or where transactions are of large value. This includes all aspects of cash handling, payroll, and procurement alongside access to equipment or consumables that are readily transferable into cash.</p> <p>Activity in these areas is subject to more regular review. Internal audit planning is undertaken on a rolling 3 yearly basis with the focus for audit guided by an assessment of risk and the outcomes of internal and external audit and other assessment activities during the intervening period.</p>

	Audit Assurance Sought	Audit & Risk Committee Response
8.	<p>Is the Committee aware of any related party relationships or transactions that could give rise to instances of fraud? Please provide details.</p> <ul style="list-style-type: none"> How are the risks associated with fraud related to such relationships and transactions mitigated? 	<p>Clear procurement and budget management arrangements are in place to minimise risks of this type. Specific arrangements are also in place to manage line management and academic assessment/progression arrangements where a close relationship exists.</p> <p>Details of any significant related party transactions are published within the annual financial statements.</p>
9.	<p>Is the Committee aware of any entries made in the accounting records of the organisation that it believes, or suspects are false or intentionally misleading? Please provide details.</p> <ul style="list-style-type: none"> Are there particular balances where fraud is more likely to occur? Please provide details. Is the Committee aware of any assets, liabilities or transactions that it believes were improperly included or omitted from the accounts of the organisation? Please provide details. Could a false accounting entry escape detection? If so, how? Are there any external fraud risk factors which are high risk of fraud? Please provide details. 	<p>Whilst risk is always possible and must be managed, the Committee does not have any specific concerns in respect of this.</p>

	Audit Assurance Sought	Audit & Risk Committee Response
10.	<p>Is the Committee aware of any organisational, or management pressure to meet financial or operating targets? Please provide details.</p> <ul style="list-style-type: none"> Is the Committee aware of any inappropriate organisational or management pressure being applied, or incentives offered, to you or colleagues to meet financial or operating targets? Please provide details. 	<p>Whilst risk is always possible and must be managed, the Committee does not have any concerns in respect of this.</p> <p>Audit and Risk and Finance and Infrastructure Committee members have opportunity to meet with internal and external auditors once a year without any management representatives present to seek assurances in respect of this.</p>

International Standard for Auditing 250 – Consideration of laws and regulations in an audit of financial statements

	Audit Assurance Sought	Audit & Risk Committee Response
11	<p>How does the Committee gain assurance that all relevant laws and regulations have been complied with. For example:</p> <ul style="list-style-type: none"> Is the Committee aware of the process management has in place for identifying and responding to changes in laws and regulations? Please provide details. What arrangements are in place for the Committee to oversee this process? Is the Committee aware of the arrangements management have in place, for communicating with employees, non-executive directors, partners and stakeholders regarding the relevant laws and regulations that need to be followed? Please provide details. Does the Committee have knowledge of actual or suspected instances where appropriate laws and regulations have not been complied with, and if so, is it aware of what actions management is taking to address it? Please provide details. 	<p>An extensive and well-planned internal audit plan is in place alongside regular contact with internal and external auditors. All Board Committees receive regular updates in respect of compliance with appropriate academic, staffing, financial and governance requirements.</p> <p>Specific legal issues/challenges that may arise in respect of College operations are reported at the appropriate Committee and (where necessary) may be discussed at part of the role of the Chairs Committee, of which the Chair of Audit and Risk is a standing member.</p> <p>Appropriately qualified and experienced staff are available across all major functions and have access to relevant sources of information and networks. A comprehensive legal retainer contract is in place to provide immediate access to specialist legal information and support as necessary. This includes regular updates on changes to legislation and caselaw.</p>
12	<p>Is the Committee aware of any actual or potential litigation or claims that would affect the financial statements? Please provide details.</p>	<p>Specific legal issues/challenges that may arise in respect of College operations are reported at the appropriate Committee and (where necessary) may be discussed at part of the role of the Chairs Committee, or which the Chair of Audit and Risk is a standing member.</p> <p>There are no current, anticipated, or expected claims or litigation</p>

International Standard for Auditing 570 – Consideration of the going concern assumption in an audit of financial statements

	Audit Assurance Sought	Audit & Risk Committee Response
13	How has the Committee assessed and satisfied itself that it is appropriate to adopt the going concern basis in preparing the financial statements?	<p>All Board members undertake extensive input to support and ensure the financial sustainability of the College. This includes recognition of the financial sustainability risk as major and review and engagement in budget management and future financial forecasting activities.</p> <p>Board members are actively engaged in the financial sustainability and savings plans that underpin the long-term viability of the College.</p> <p>Audit Scotland guidance includes a presumption that colleges are seen as going concerns.</p>
14	Has the Committee identified any events or conditions since the assessment was undertaken which may cast significant doubt on the organisation's ability to continue as a going concern? Please provide details	<p>Future financial forecasting returns are considered and approved at Board level and highlight the financial sustainability risks that may arise over time. The Board as a whole is actively engaged in the financial sustainability and savings plans that underpin the long-term viability of the College. These plans are an active step underpinning the College as a going concern and preventing the financial sustainability risk from crystalising.</p>

NB 2023/4 Request

Mazars LLP
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3 Wellington Place,
Leeds,
LS1 4AP
Tel: +44 (0)113 394 2000

17 September 2024

Dear Audit and Risk Assurance Committee

Dundee and Angus College (the College) – 2023/24: Audit and Risk Assurance Committee briefing note - ISA240 (Fraud), ISA250 (laws and regulations), ISA501 (litigation and claims) & ISA570 (going concern)

Introduction

This letter aims to summarise for the Audit and Risk Assurance Committee (the Committee) the requirements under International Auditing Standards, in respect of preventing fraud in the annual accounts, compliance with laws and regulations, litigation and claims, and going concern. This letter requests an update from the Committee in order to inform our continuous audit planning as we move into the final stage of our audit of the College's 2023/24 accounts.

International Standard for Auditing 240 - The auditor's responsibility to consider fraud in an audit of financial statements

Background

Under the ISA, the primary responsibility for preventing and detecting fraud rests with both management and 'those charged with governance', which for the College is the Audit and Risk Assurance Committee. This includes fraud that could impact on the accuracy of the annual accounts.

The ISA requires us, as external auditors, to obtain an understanding of how the Committee exercises oversight of management's processes for identifying and responding to the risks of fraud and the internal controls established to mitigate them.

What is 'fraud' in the context of the ISA?

The ISA views fraud as either:

- the intentional misappropriation of the College's assets; or
- the intentional manipulation or misstatement of the financial statements.

What are auditors required to do?

We have to obtain evidence of how management and those charged with governance are discharging their responsibilities, if we are to properly discharge our responsibilities under ISA240. We are therefore making requests from the Committee and management on the following, or similar, issues:

- 1) How does the Committee, in its role as those charged with governance, exercise oversight of management's processes in relation to:

- undertaking an assessment of the risk that the financial statements may be materially misstated due to fraud or error (including the nature, extent and frequency of these assessments).

- identifying and responding to risks of fraud in the organisation, including any specific risks of fraud which management have identified or that have been brought to its attention, or classes of transactions, account balances, or disclosure for which a risk of fraud is likely to exist;
 - communicating to employees of views on business practice and ethical behaviour (for example by updating, communicating and monitoring against the organisation's code of conduct); and
 - communicating to those charged with governance the processes for identifying and responding to fraud or error?
- 2) How does the Committee oversee management processes to identify and respond to the risk of fraud and possible breaches of internal control? Is the Committee aware of any breaches of internal control during 2023/24? Please provide details.
 - 3) Has the Committee knowledge of any actual, suspected or alleged fraud during the period 1 August 2023 to 31 July 2024? Where appropriate please provide details.
 - 4) Has the Committee any suspicion that fraud may be occurring within the organisation? Please provide details.
- Has the Committee identified any specific fraud risks within the organisation? Please provide details.
 - Does the Committee have any concerns that there are areas within the organisation that are at risk of fraud? Please provide details.
 - Are there particular locations within the organisation where fraud is more likely to occur? Please provide details.
- 5) Is the Committee satisfied that internal controls, including segregation of duties, exist and work effectively? Please provide details.
- If not, where are the risk areas?
 - What other controls are in place to help prevent, deter or detect fraud?
- 6) Is the Committee satisfied that staff are encouraged to report their concerns about fraud, and the types of concerns they are expected to report? Please provide details.
 - 7) From a fraud and corruption perspective, what are considered by the Committee to be high risk posts within the organisation? Please provide details.
- How are the risks relating to these posts identified, assessed and managed?
- 8) Is the Committee aware of any related party relationships or transactions that could give rise to instances of fraud? Please provide details.
- How are the risks associated with fraud related to such relationships and transactions mitigated?
- 9) Is the Committee aware of any entries made in the accounting records of the organisation that it believes or suspects are false or intentionally misleading? Please provide details.
- Are there particular balances where fraud is more likely to occur? Please provide details.

- Is the Committee aware of any assets, liabilities or transactions that it believes were improperly included or omitted from the accounts of the organisation? Please provide details.
- Could a false accounting entry escape detection? If so, how?
- Are there any external fraud risk factors which are high risk of fraud? Please provide details.

10) Is the Committee aware of any organisational, or management pressure to meet financial or operating targets? Please provide details.

- Is the Committee aware of any inappropriate organisational or management pressure being applied, or incentives offered, to you or colleagues to meet financial or operating targets? Please provide details.

International Standard for Auditing 250 – Consideration of laws and regulations in an audit of financial statements

Background

Under the ISA, in the UK and Ireland, the primary responsibility for ensuring that the entity's operations are conducted in accordance with laws and regulations and the responsibility for the prevention and detection of non-compliance rests with management and 'those charged with governance', which for the College is the Audit and Risk Assurance Committee. The ISA requires us, as external auditors, to obtain an understanding of how the Committee gains assurance that all relevant laws and regulations have been complied with. What are auditors required to do?

We have to obtain evidence of how management and those charged with governance are discharging their responsibilities, if we are to properly discharge our responsibilities under ISA250. We are therefore making requests from the Committee, and will be making similar enquiries of management:

11) How does the Committee gain assurance that all relevant laws and regulations have been complied with. For example:

- Is the Committee aware of the process management has in place for identifying and responding to changes in laws and regulations? Please provide details.
- What arrangements are in place for the Committee to oversee this process?
- Is the Committee aware of the arrangements management have in place, for communicating with employees, non-executive directors, partners and stakeholders regarding the relevant laws and regulations that need to be followed? Please provide details.
- Does the Committee have knowledge of actual or suspected instances where appropriate laws and regulations have not been complied with, and if so is it aware of what actions management is taking to address it? Please provide details.

International Standard for Auditing 501 – Specific consideration of the potential for, and actual, litigation and claims affecting the financial statements

Background

This ISA deals with specific considerations by the auditor in obtaining sufficient appropriate audit evidence, in this instance with respect to the completeness of litigation and claims involving the entity. The ISA requires us, as external auditors, to design and perform audit procedures in order to identify litigation and claims involving the entity which may give rise to a risk of material misstatement.

What are auditors required to do?

We have to obtain evidence of how management and those charged with governance are discharging their responsibilities, if we are to properly discharge our responsibilities under ISA501. We are therefore making requests from the Committee, and will be making similar enquiries of management:

- 12) Is the Committee aware of any actual or potential litigation or claims that would affect the financial statements? Please provide details.

International Standard for Auditing 570 – Consideration of the going concern assumption in an audit of financial statements

Background

Financial statements are generally prepared on the basis of the going concern assumption. Under the going concern assumption, an audited body is ordinarily viewed as continuing in operation for the foreseeable future. Accordingly, assets and liabilities are recorded in financial statements on the basis that the audited body will be able to realise its assets and discharge its liabilities in the normal course of its operations.

What are auditors required to do?

If used, we are required to consider the appropriateness of management's use of the going concern assumption in the preparation of the financial statements if we are to properly discharge our responsibilities under ISA570. We are therefore making the following request from the Committee:

- 13) How has the Committee assessed and satisfied itself that it is appropriate to adopt the going concern basis in preparing the financial statements?
- 14) Has the Committee identified any events or conditions since the assessment was undertaken which may cast significant doubt on the organisation's ability to continue as a going concern? Please provide details.

The way forward

The information you provide will help inform our understanding of the College and its business processes, prior to the start of the final stage of the audit of the 2023/24 financial statements.

I would be grateful for your responses, which should be formally considered and communicated to us on the Committee's behalf to cover the year to 31 July 2024. In the meantime, if you have any queries, please do not hesitate to contact me.

Yours sincerely

Michael Speight
Director

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 16 September 2025



DATE OF NEXT MEETING

Tuesday 2 December 2025 (Joint meeting with Finance & Infrastructure Committee) at 4:00pm in Room K-TO-226, Kingsway Campus